THE FINANCIAL POST
OF CANADA
The Canadian Newspaper for Investors

VOL. XI. SINGLE COPIES, 10 CENTS. PUBLICATION OFFICE: TORONTO, OCTOBER 6, 1917 ANNUAL SUBSCRIPTION $3.00. No. 40

THE NEED FOR BUSINESS MEN IN THE DOMINION CABINET HAS AT LAST BEEN RECOGNIZED

Appointment of C. C. Ballantyne is Vindication of the Policy of The Financial Post.

UNREST IN ENGLAND DUE TO WEAK ADMINISTRATION

Mistakes of Former Government, Now Coming to Light, Cause Strong Undercurrent of Dissatisfaction—Both Parties in Canada Must Be Reformed to Meet Public Sentiment in This Country.

THE appointment of Lt.-Col. C. C. Ballantyne as Minister of Public Works comes as a distinct relief to all sincere, thinking Canadians. It had begun to seem hopeless to expect anything in the way of reform at Ottawa. Both parties seemed determined to fight out the coming election on strictly party lines. Those in both parties who favored more progressive measures, among whom can be named the Premier himself, seemed unable to make themselves felt. But the appointment of Col. Ballantyne means that Sir Robert Borden has prevailed. He has at last managed to overcome the reactionary element in the party he leads and to inaugurate a policy, in which he has long believed, of getting the ablest men in Canada into his cabinet without regard to their political experience or affiliations.

The appointment is a direct vindication of the policy of THE FINANCIAL POST. The selection of business men for cabinet posts was advocated in October, 1914, and continuously since. For a year past other papers have joined THE FINANCIAL POST. The pressure of the people had become so strong that the office-holding politicians had to submit.

C. C. Ballantyne has been a Liberal in politics but it is as a successful business executive and not as a Liberal that he enters the cabinet. His long experience in the manufacturing field as Vice-president and General Manager of the Sherwin-Williams Co. of Canada and his very successful work as a member of the Montreal Harbor Commission, to which he was appointed by Sir Wilfrid Laurier, marked him as a real force in Canadian industry. He will bring certain qualities into the cabinet that it has sadly lacked, the qualities which are found in all business executives.

Sir Robert has intimated, further, his intention of admitting representatives of labor and agriculture into his cabinet. This is splendid. The two classes, which make up the bulk of the population, should unquestionably have direct representation. It will be a terrible mistake, however, if Borden places his labor representative as Minister of Labor, and establishes his farmer in the Department of Agriculture. Representatives of labor and agriculture are needed to voice the will of these classes in the deliberations of the cabinet, but the Departments of Labor and Agriculture require men of executive training and very special organizing abilities.

Sir Robert Borden has shown courage in staking his political future on conscription, and in the reorganization of his cabinet now under way, but will he show the still greater courage required to kick out the professional politicians and grafters who surround him; and the courage to fill their places with the men of proven capacity and public spiritedness—men of the Shaughnessy-Holt-Flavelle-Gordon type? From the noise the politicians, Conservative and Liberal, and their newspapers, are making, office is of far greater importance than winning the war.

The Government has made a step in the right direction. If the Liberals will show an equal willingness to provide the kind of leadership that the situation demands, by throwing out the professional politicians who now bulk in the forefront of the party and by getting in strong, able men of proven experience, then the country will be assured of proper government after the election, no matter which way the polling goes. Business and labor leaders are on record in asking for experts to head the important cabinet positions. Let those of us who are Liberal impress this idea on our leaders as the price of our support in the coming election.

REVOLUTION TALK IN ENGLAND.

THE story of unrest in England, which has come through this week, will not surprise readers of THE FINANCIAL POST. They have been kept informed during the last two and a half years of the horrible mismanagement of the war by the Asquith intellectuals, the mad Churchills, and the other idle rich impractical politicians—men who so often insist upon things being done for political rather than military effect. Their interference, on the one hand, with the work of the Army and Navy, and their neglect on the other, to accept the advice of the great naval and military experts, have cost the Empire dearly, fearfully, in men and resources. We showed that Asquith and Churchill, alone, overrode naval and military advice and protest in entering upon the disastrous Dardanelles campaign—and since then we have had Balfour's brazen defence of the shameful Mesopotamia affair.

Churchill is back and is trying to force the navy into another of his schemes, which he says, cheerfully, means great loss of men and ships.

We have been sitting on a volcano for months. Only the wonderful control the middle class Englishman has over himself has prevented an eruption. From the stern mutterings that have been coming this way for weeks we have been expecting something serious. They come, not alone from ignorant working men, misled by honest agitators, or German paid walking delegates, but from the well educated, intelligent masses in Britain. In fact one of their complaints is of German money and influence in high places. The very definite evidence, for example—supplied by the United States Secret Service since they came into the war—that the innermost secret, British naval code, which enabled the *Goeben* and her companions to escape in the Mediterranean, was supplied to the Germans, not by a poor sailor or clerk, but by a man occupying a high position in London, has created a very painful sensation.

It is remarkable that a real uprising against this unnecessary slaughter of men and waste of material has not occurred long before now—an uprising of the great intelligent middle class—an uprising that would make a complete clean up in our Imperial political arena; that would give Lloyd George and the Army and Navy a free hand.

In Canada we are indifferent to the situation over there. We overlook the fact that we are already in this war with over 400,000 of our own men and $750,000,000 of our own money, and the certainty of an expenditure of hundreds of millions more money. But we have no say in the general direction of affairs. We enter no protest against mismanagement; or against the interference with our great naval and military experts, which is going on all the time.

Unfortunately, we still sleep. We still damn THE FINANCIAL POST and *MacLean's Magazine* for daring to tell us the truth. We still refuse to conscript the big experts of the country. We should long ago have forced Sir Robert Borden to take the step that he is now contemplating. Fortunately the situation is not yet hopeless. The Ballantyne appointment is the first rift in the clouds. But let us demand a thorough and immediate clearing up, to be followed by stronger political representation in London.

WILL EXCHANGES CLOSE?

Question Raised, in View of Enlistment of Brokers in War Loan

With stock brokers and bond houses turning over practically their entire organizations to the war loan campaign committees during the period of flotation of the Canadian Victory Loan, it has been surmised in some quarters that the Montreal and Toronto Stock Exchanges might be closed and business temporarily suspended. Brokers interviewed on the subject, however, do not regard this step as at all likely or feasible. They point out that it would scarcely be fair to the public, who might be under the necessity of buying or selling stocks during the interval.

At the same time it is admitted that the floor representation of the brokerage houses will be greatly reduced. So many men will be drafted into the war loan campaign that it will be necessary for many firms to delegate exchange duties to representatives of other firms. Attendance on the exchanges will, therefore, be very thin and business correspondingly dull.

FOSTER BLAMED FOR ELEVATOR STRIKE TIE-UP

Warned as to Seriousness of Situation, but He Did Not Act.

EMBARGO A NECESSITY

Flood of Wheat From the Prairies is Such That Serious Congestion Would Result With Free Shipment.

Special to THE POST by Cora Hind, Commercial Editor Winnipeg Free Press.

WINNIPEG.—The chief excitement this week has been the terminal strike at Fort William and the end is not yet. To-day all railways placed embargoes on loading at country points for lake terminals and from now until the strike is raised the only cars loaded will be for interior terminals and interior mills.

The whole situation seems to have been very badly managed. As far back as August 20 the Board of Grain Supervisors asked the railways to move one hundred thousand bushels of wheat before close of navigation, and after taking a day to consider the matter the railways replied that it could be done under certain conditions, one of the prime needs being the control of labor and warning the board that even then there were threats of a strike planned for October first. No notice was taken of this letter.

On September 19 the terminal elevator owners wrote Sir George Foster, the Board of Grain Supervisors and the Grain Commissioners, stating that demands which they considered unreasonable had been made upon them by these employees, and again pointed out that a strike would be serious. They stated that a very large percentage of the men were of alien enemy nationalities and asking that a military guard be provided for the whole water front, and that in view of the shortage of labor that a sufficient number of men be mobilized under the National Service Act to operate the elevators under all circumstances. No attention was paid to this letter either.

Foster's Incompetency.

On October 1st, when the men had walked out the terminal men again addressed Sir George Foster, stating that they had instructed their managers at the lake headto tell the men to go to work and they would submit the matter to government arbitration and abide by the decision.

Sir George never answered that wire, but sent Compton to Fort William, where, apparently, he has done more harm than good for the strike is spreading.

The embargo on loading was essential unless every available car in the country was to be tied up and every terminal yard congested with east and westbound freight.

Weather conditions are such as to make the maximum loading at the present time quite easy. There are at present 19,000 cars under load of grain west of the lakes, so it is not difficult to figure that had loading been allowed to continue there would very soon be more cars loaded than could be unloaded between now and the close of navigation.

WESTERN WHEAT SHIPMENTS HELD BY THE STRIKE

Ontario Farmers' Busiest Time of the Year.

LIVESTOCK PRICES ASCENDING

Fine Weather for Threshing—Potato Crop Large—Clover Seeds High in Price—Farmers Reaping Big Returns.

By F. M. CHAPMAN,
Editor, "The Farmer's Magazine."

Threshing operations have had a good week in Western Canada and a very fair one in the East. The East is now on its busiest time on the farm. Threshing operations have to give place to silo filling in many parts. The interruptions to the work of threshing by labor difficulties is forcing large farmers into buying individual threshing outfits and groups of small farmers into owning their own. Fall wheat sowing in Ontario has been considerably curtailed owing to the hard condition of the soil. Plowing is very much behind last year's at this time. Yields of wheat that were sown in summer fallow are already making a good showing. Late reports from the States indicate a greater than usual acreage of wheat and rye, sowings made in October there being usually all right Clover seed is going to rule high in price. The crop of Alsike is shorter in acreage than last year but the price is better. It will average $10.50 per bushel while red clover will rule $12.00. Bean samples in, are rating high and the acreage is likely greater than in 1916 or than the Census Bureau admits. Crops will likely net the grower nearly double last year's prices.

The condition of the Canadian farmer this fall is one of the best in the matter of finances. Every product he has to sell is commanding a fair price although there is much concern over the potato market. If the price of $1.25 to the consumer is fixed, doubtless this will send much of the crop to the livestock. No great returns will come from any field to the farmer at these prices. Cattle, sheep and hog prices on the markets remain firm at the highest points in trade history. Dairy and poultry products are much in demand at rising prices.

As the U.S. and Canada are so intimately related with the Allies, the total crop reports become of interest. The following table will give some comparisons of the U.S. crops. Prices are so much better this year than last, that the increase swells up more favorably to farmers than these figures would indicate.

U. S. Leading Crops.

Crops.	1917 acreages	Production bushels estimated (000's	1911-15 average product'n omitted)
Wheat	46,692,000	678	806
Corn	121,045,000	3,124	2,754
Oats	43,161,000	1,553	1,250
Barley	8,379,000	214	197
Potatoes	4,384,000	452	363

Miss Cora Hind, of the Winnipeg *Free Press*, wires to THE FINANCIAL POST to-day:—,

Inspection for the month of September were nearly 20,000,000 of wheat against about 14,000,000 in September, 1916. Inspection of oats and barley, however, fell very far behind those of last year.

The grading of the crop is phenomenally high, over 90 per cent. being "No. 2" Northern or better, in fact it might be said to be a "No. 1" Northern crop. Weather has been very favorable to threshing and fall work generally since my last report. There is a great shortage of labor for potato picking and school gangs to work Saturdays are being organized in many parts of the country. Viewed in the light of acreage seeded the potato crop is small, but of excellent quality. The Department of Agriculture is estimating a yield of 135 bushels per acre for Manitoba, which would give a crop of approximately seven millions, of which about five would be required for domestic consumption and seed.

To-day the Dominion Minister of Agriculture has made an important announcement with regard to the livestock industry, namely, that the railways will give settlers rates on livestock coming West for breeding purposes and that his department will pay the whole of that freight. This is especially to encourage the bringing in of sheep. The Provincial Government is co-operating by buying the sheep and selling them to the farmers at the price they cost in Eastern markets. Manitoba's livestock commissioner is going East immediately for this purpose, he already has orders for 2,000 head, and more coming in every day. Steers touched $13.10 per cwt. this week in spite of receipts among the heaviest on record.

GILLETTE RAZOR CO.

Dividend Increased From 6 Per Cent. to 8 Per Cent.

The net earnings of the Gillette Safety Razor Company of Canada, have shown such an increase in the first nine months of the present year as to warrant an increase in the dividend from 6 to 8 per cent. per annum. This will be payable on Oct. 15. to shareholders of record Oct. 1. The capital stock of the Canadian company is $500,000. A new personality has been added to the directorate, J. E. Aldred of New York, President of Shawinigan Water & Power Co., and a director of Civic Investment.

DOMINION TRUST LIQUIDATION WAS FEAST FOR LAW

Liquidators' Expenses Have Amounted to Over $167,000.

UNCERTAINTY PREVAILS

No Announcement As Yet As To What the Dividend May Be—Position of Depositors Not Established.

Special to The Financial Post

VANCOUVER.—The history of the liquidation of the Dominion Trust Company during the period from the time the company closed its doors until June 30 of this year was made public when Liquidator Stewart filed his report with the Supreme Court. In his report Stewart intimates that he is not in a position yet to even estimate what the probable dividend may be. After two and a half years of liquidation, the position of the depositors who have claims amounting to $927,035 has not been established and this class of creditors is still in doubt as to whether they will be classed as ordinary creditors or subsequent to them.

Probably the most important feature of the statement placed before the court is the item of $167,657.20 which has been spent by the liquidator since the company failed. Of this amount $126,215 was expended from the Vancouver office and the balance from the branch offices at the direction of the liquidator. Sums of $46,102 were expended in salaries, $28,591 in general law expenses up to April 30, $21,321 in the investigations of accountants and $16,300 at the rate of $500 per month.

The legal costs of the malfeasance suits instituted against the old directors of the company amounted to $24,856 while the various actions involving an aggregate of $6,000,000 were settled for at $29,000. Over $11,000 of this amount was spent in fees for the liquidator's solicitors and counsel, and nearly $9,000 for the preparation of the statement of claim.

The liquidation has taken in sums aggregating $381,269 during the term of Mr. Stewart, and of this total over $208,000 less law costs of $22,703 was realized from life insurance on the life of the late W. R. Arnold. Four other insurance policies are in process of legal action, while an effort is to be made to induce the government to start action against the bonding companies for the proceeds of the two guarantee bonds which had been deposited with the government at Victoria by the management of the company. In this connection, Mr. Stewart intimates that in case the Government is successful, there is likely to be further legal action to determine which class of creditors shall participate in the proceeds .

The entire liquidation is regarded in Vancouver as a great bonanza for the members of the legal profession connected with it.

NEW FINANCING BIG FACTOR IN THE OUTLOOK

Arrangements of Government With Bankers Helps Business.

LORD READING AT OTTAWA

Britain Co-operating in Establishing Credits Here—National Revenue Seems Small in Proportion to Country's Income.

Although the business situation has been materially improved by the financial arrangements which have recently been made at Ottawa by which further shell and other munitions orders have been facilitated and the outlook improved for the exportation of our natural products, there are still some phases of the situation which are unsettled and there is considerable interest in the negotiations being continued at Ottawa between Lord Reading the representative of the British Treasury, the Minister of Finance and representative Canadian bankers.

In addition to the renewal of war business from Great Britain, war orders from the United States are also playing a part in Canadian activity, particularly in the textile trades. Altogether the industrial outlook is very good when the abnormal conditions prevailing are considered. At the same time the agricultural figures show improvement and with the high prices prevailing there should be a substantial return to the country. The buying power of the people seems assured on a high level for an indefinite period unless there is some unlooked for development. At the same time it is evident that there is a more cautious spirit being displayed. The steady advance in savings deposits to a total of $950,000,000 would seem to indicate that the people are preparing for a "rainy-day." The fact that this amount represents an increase of $300,000,000 over August 1914 would give support to the forecast of an enthusiastic reception for the new loan.

Steel Price Fixing.

The price fixing program in the United States seems to have served to settle the situation to some extent in that country, but it has had the opposite effect in the Canadian steel trades and there promises to be more or less uncertainty until readjustments are made to the new state of affairs. Steel manufacturers are asking for a steel controller so that imports may be arranged on an equitable basis. From the present outlook it would appear that such industries as munitions and shipbuilding will not be interfered with but that in other lines there may be considerable inconvenience.

The investment situation shows no change from the tendencies to lower levels which have been in evidence for weeks. However, thre is a growing opinion that the bottom must be close at hand if previous experience with movements counts for anything. It would appear that not only is the value of money being discounted but that allowance is being made for the post-war adjustments.

National Finances.

Trade reports from Ottawa contine to make a favorable showing although the increasing volume of imports is somewhat discouraging from the standpoint of the necessity for conserving our national financial resources. The favorable balance for the eight months of the fiscal year to date is still about $37,000,000 more than for the corresponding period of last year, totalling $227,000,000. With such a large balance of trade in favor of a country which recorded balances on the other side before the war there would appear to be reason to believe that there should be heavier tax burdens placed upon the people. For the first half of the fiscal year the increase in all receipts by the government was only $24,000,000. For the six months the surplus of revenue over expenditure was $65,000,000. Considering the prosperous conditions prevailing throughout the country there would appear to be reason to believe that a larger portion of the country's abnormal revenues could have been taken for the national exchequer.

BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,557,034.
Total Assets - - - $386,806,887.

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Head Office: MONTREAL

General Manager—Sir Frederick Williams-Taylor.
Assistant General Manager—A. D. Braithwaite

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Established 1864 Head Office, MONTREAL
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Managing Director—E. F. Hebden General Manager—D. C. Macarow

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Reserve Fund and Undivided Profits 7,421,292
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Paid-up Capital - $4,866,666.66 Reserve Fund - $3,017,333.33
Head Office—5 GRACECHURCH STREET, LONDON, E.C. 3
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The Standard Bank of Canada

Quarterly Dividend Notice No. 108

NOTICE is hereby given that a dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending October 31st, 1917, and that the same will be payable at the Head Office in this City, and its Branches, on and after Thursday, the 1st day of November, 1917, to shareholders of record of the 20th of October, 1917.

By order of the Board,
C. H. EASSON,
General Manager.
Toronto, September 21st, 1917.

LLOYDS BANK LIMITED.

Head Office: 71, LOMBARD ST., LONDON, E.C. 3.
CAPITAL SUBSCRIBED - - £31,304,200
CAPITAL PAID UP - - 5,008,672
RESERVE FUND - - - 3,600,000
DEPOSITS, &c. (June, 1917) 141,053,601
ADVANCES, &c. do. 67,573,903

THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.
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The Agency of Foreign & Colonial Banks is undertaken.
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HEAD OFFICE: MONTREAL
Paid Up Capital - - $4,000,000
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Collections may be made through this Bank in all parts of the Dominion, and in every part of the Civilized World through our Agents and Correspondents, and returns promptly remitted at lowest rates of exchange. Commercial Letters of Credit and Travellers' Circular Letters issued, available in all parts of the World. 98 Branches.

Edward C. Pratt, General Manager

NEWS OF SECURITIES — Markets Dull and Weak

INVESTMENT SITUATION

THE situation shows a continuance of those tendencies which have been in evidence for some weeks. Opinion is quite evidently restless and even apprehensive. The market has developed a number of soft spots under small pressure, and it is difficult to estimate the strength of buyers or the resistance of holders under realizing efforts. New York has offered little encouragement to the local market, the moderate renewal of confidence referred to a week ago with a more definite outlook as to price-fixing having again been replaced by uncertainty in which war taxing seems to be the dominant factor.

On the other hand there is a growing opinion by students of the situation that the bottom cannot be far off and that there are a number of strong investment propositions now showing a yield to the buyer of an unusually attractive character. There is no assurance that there may not be a further sag with a continuance of war financing, but the fact remains that it is very seldom that the average investor can buy at the bottom of the decline. Buying during a period of depression is usually a good policy and this is certainly a period of depression. Of the situation as viewed in the States Henry Clews says:

> Security values now are at a point which should attract renewed investment buying. It is true that the future is still full of uncertainties. Should the war last another year, as many believe, the present rate of expenditures by our Government, which has not only its own operations to finance, but those of the Allies, may act as a further depressing factor. So also may the attitude of the Government toward the railroads and shipping interests. On the other hand there are many encouraging conditions. Congress may soon adjourn. The country is sound financially and commercially. We are sure of the most prosperous year in agriculture that we have ever experienced. The same is equally true of all the chief industries. Wages are high and farmers and working men are likely to be free spenders. This means an active consumptive demand for many lines of merchandise.

STEEL

Market Dull and General Situation Unchanged—Price Fluctuations Narrow.

By P. BAIN, M.E.,
Editor, Canadian Machinery.

Underlying conditions in the market not having changed, steel securities have again experienced a dull week with a tendency to lower prices. Trading has been comparatively light with nothing spectacular to illuminate the situation and in regard to the outlook it cannot be said that there are any indications of an immediate revival. Tight money appears to be the principal reason for this comparative stagnation and the unsettled conditions now prevailing do not tend to create interest. The price fixing, about which so much has been written, has not apparently made much difference to the relative position of steel stocks. New York market has been for the most part depressed owing to steady liquidation brought about by the tight financial situation.

While the embargo has created considerable stir in the steel trade it is unlikely that it will affect the stock market to any great extent; at least there is at present no indication of it influencing prices of steel securities. It will likely have the effect of increasing the volume of business for Canadian steel companies but this depends largely upon the continuance of active industrial conditions during the coming months. The fact that the Dominion government is arranging for substantial credits for munitions will help considerably in keeping this industry active, although not to the same extent as during the first six months of this year. It is understood that $30,000,000 a month has been appropriated to cover the operations until the end of this year. This will mean an output of about one third of what has hitherto been the production. The shells now being made include 6 inch and 4.2 inch high explosive and 18 pdr. shrapnel. New contracts for the 6 inch have been given out in place of the 9.2 inch and 8 inch, production of these sizes having been stopped.

The embargo on the export of steel products from the U. S. has created such a serious situation in Canada for manufacturing consumers that action has been taken by representatives of leading concerns to have, if possible some change made in the terms of the embargo. A committee of interested manufacturers has been appointed to investigate the situation more fully and to ascertain what firms are needing steel and the extent of their requirements. It is understood that steel, etc., required in the manufacture of agricultural implements, maintenance of railways and shipbuilding will be licensed for export to Canada as being for war purposes or directly contributory thereto. But, while some material may be permitted to come through it does not necessarily follow that the full requirements will be obtainable. The situation is dealt with more fully elsewhere in this issue.

	Close, Sept. 27	Close, Oct. 4	Change
Can. Car, com...	25	25	..
Do., pref.	58	54	— 4
Can. Loco., com.	58	58	..
Do., pref.	85	83	— 2
Gen. Elec.	103	103	..
Dom. Bridge	140	138	— 2
Dom. Iron, pr..	89	89	..
Dom. Steel	59¾	58	— 1¾
N.S. Steel, com..	91	85	— 6
Do., pref.	105	105	..
N. Stl. Car, com.	5	5	..
Ont. Stl. Pr, com.	29	29	..
St. of Can., com.	55¼	54¼	— 1
Do., pref.	88	87¾	— ¼
Rus. Motor, com.	69	60	— 9
Do., pref.	111¼	100	—11¼

N. S. CAR WORKS.

The old plant of the Nova Scotia Car Works, in Halifax, which was purchased by the Canada Corporations, Limited, and sold by them to the Williams Machinery Company, is being dismantled and disposed of piecemeal to purchasers of equipment and building material. As showing the changed conditions, it is worth noting that it is found a paying undertaking to break up the steel car shop, cutting the plates by acetylene, to be used in the erection of a new building in the United States. The whole plant of the Nova Scotia Car Works will soon be gone—a sad commentary on an industry from which great things were expected in Halifax.

FOUNDRIES AND FORGINGS.

Canada Foundries & Forgings, is planning for the readjustment of activities in a manner that is particularly enterprising on the part of a Canadian Company. The intimation comes in the form of a notice of a meeting of shareholders called for Brockville, Ont., where the head office is located, for Oct. 10, to vote on a proposition to purchase the DeLaney Forge & Iron Co., Inc., of Buffalo, N.Y. This signifies that the Canadian concern is feeling the curtailment of orders for shell forgings, in which part of its plant has been engaged, by seeking a new sources of earning power in "one of the oldest established ship-forging industries of the United States. The DeLaney Company, it is declared, is doing a large and remunerative business, with orders on its books sufficient to employ its plant fully for the next 18 months. "It will form a valuable addition," it is declared, to the equipment of Canada Foundries & Forgings, enabling them to participate profitably in the vast shipbuilding program that is under way both in the United States and Canada. A connection for Canada Foundries with a U. S. plant is no new experiment, as there was a working arrangement for a time with the Titusville Forge Co., a Pennsylvania concern until this ended by the absorption with Bethlehem Steel.

CANADIAN STEEL.

Further evidence of progress in the development of the Canadian Steel Corporations plant at Objibway, Ont., is shown by the announcement that contracts for the construction of about 150 houses for employees would be awarded shortly. This work will cost approximately one million dollars, and is apart from the building of a long dock and a canal on the river front below Sandwich, all of which is to be a part of the new steel city. Already railroad tracks and pavements cover the new territory, and preliminary work for the construction of the docks has been under way for the past two months. The Great Lakes Dredging Co., of Port Arthur, Ont., have been awarded the contract for the construction of wharves and dredging in connection with the steel plant. The corporation have 25 acres of land with a long frontage on the Detroit River. It is understood that the work is to be rushed to completion so that there may be as little delay as possible before having the plant in operation. The total expenditure on the plant is estimated at $25,000,000.

LAKE SUPERIOR CORPORATION.

The annual meeting of the Lake Superior Corporation was held at Camden, N.J., on Oct. 3. The old Board of Directors which was elected, with the addition of R. Home Smith, of Toronto, comprise the following: F. McOwen, H. Coppell, J. S. Dale, W. C. Franz, J. Frater Taylor, W. H. Cunningham, Sidney Mason, H. C. Coleman, Alex. Taylor, R. Home Smith, H. I. Underhill, James Hawson. At the meeting of the board following the shareholders' meeting, officers were elected as follows:—President, W. H. Cunningham; Vice-Presidents, H. Coppell, W. C. Franz, James Hawson; Secretary, Alex. Taylor; Treasurer, A. A. Pinkney. J. Frater Taylor stated that the company is producing steel at the rate of 50,000 ingots per month. He read a letter from the Imperial Munitions Board at Ottawa to the effect that the Board has been watching with interest the production of the plant, and was glad to see the increased production and that the steel company was standing by them. A recent quotation on Lake Superior was 15½ bid and on the income bonds 48 bid.

STEEL OF CANADA.

Steel of Canada has been fairly active, but continues to show weakness. The common has declined to 53½ and preferred 87.

NOVA SCOTIA STEEL.

Comparatively little interest has been displayed in Scotia recently and the stock has declined from 89 to 84½ bid and 90 asked. Nova Scotia has been for some time developing a complete shipbuilding plant at Trenton, N.S., and is also making marine forgings at the head works, New Glasgow.

DOMINION BRIDGE.

Since the flurry arising out of the completion of the Quebec Bridge, Dominion Steel stock has been comparatively quiet. The outlook for the company is distinctly favorable. Apart from the participation in the profits from the Quebec Bridge contract, the company has done remarkably well with its munitions business, and it is understood that a contract for 6-inch shells has been secured. The company is also going into the marine engine business on a large scale. It is announced that the first train will cross the Quebec Bridge on October 19. It is understood that the directors of the company will attend the ceremony. The stock has been practically stationary at 139.

DOMINION STEEL.

The price fixing policy inaugurated in the U.S, recently has not affected the market position of any of our steel stocks. Although Dominion Steel stock is nearly two points lower than at the beginning of the week, there is no reason to believe that the price fixing had anything to do with it. The decline was doubtless due to the general weakness prevailing on the market. Steel is now standing at 57½ bid and 58 asked. It is understood that some shareholders are getting together in an effort to influence the directors to increase the dividend distribution.

TEXTILES

Trading in Securities Was Very Light and the Prices Showed a Tendency to Weaken.

There was a rather weaker tone to textiles this week. In a very light trading a couple of the issues shaded off slightly.

The difficulties that confront the knitted goods manufacturers was illustrated by an unexpected notice that a number of wholesalers received from one of the best known and reputable mills on the market. Notice that contracts that had not been filled to date, that is those past due, would be cancelled. The reason assigned was that the scarcity of wool and impossibility of getting sufficient labor prevented the mill from making deliveries.

Cotton is holding up since its return from the recent break, and spot this week ran up to 26 cents. The latest reason for the advance was an unfavorable government report that surprised every one on the market. Some futures as a result, jumped two cents in two days. There is a feeling now that the south will not risk holding off for any length of time as at present prices there is reported to be a sudden demand for limousines among the colored planters. The continuance of the high prices is likely to confirm jobbers and retailers in the view that prices of textiles are not likely to decline in the near future.

	Close, Sept. 27	Close, Oct. 4	Change
Can. Cot., com..	51	48½	— 2½
Dom. Tex., com..	81	81	..
Mon. Knit, com..	35	30	— 5
Penmans, com...	69	69	..
Do., pref.	82	82	..

CANADIAN COTTONS.

Since the payment of the last dividend no stock has come out. The last sale of common was 51 and preferred 75½.

DOMINION TEXTILE.

New business continues to be fairly heavy though falling below last year's record proportions. The mills are engaged on large United States war orders which will supplement the domestic for months to come. It is reported that English deliveries are becoming less certain, and this with the increased activity of U.S. mills on war orders, will enlarge the Canadian field for Dominion Textile.

On the stock market Textile opened ¾ of a point down this week, at 80¼, recovering ¼ point on Tuesday and ½ on Thursday, when it sold lightly at 81. There were no sales of preferred.

PENMANS.

Difficulties in securing wool still beset Penmans and interfere with their filling the tremendous demand that comes from all over Canada. The possession of a certain grade of wool enabled them to undertake some orders for underwear from the United States Government. The common stock sold at 69, an advance of ½ point over last week, and the preferred was steady at 82.

MONTREAL COTTONS.

After a couple of weeks inactivity a couple of shares of preferred of Montreal Cottons sold at 99 this week, which was 2½ points below the figures for the week ending Sept. 22.

MINING STOCKS

Business Slacking Off; Prices Generally Decline, and Market Depressed.

By W. A. CRAICK.

It is pretty hard to find much encouragement in the mining market at present. The big drop in silver, which may not yet be at an end, has depressed the silver stocks and given a general weak tone to the list. Trading has slackened off. From an average of 246,162 shares a day, during the second week of September, business has gradually dropped, until this week the average passed again below the 100,000-share level and rested at 76,572 shares a day. The record for the week, together with the daily quotations on silver, is as follows:

Friday, Sept. 28	127,385	97½c
Saturday, Sept. 29 ...	35,685	96⅝c
Monday, Oct. 1	76,175	95⅛c
Tuesday, Oct. 2	67,284	93⅝c
Wednesday, Oct. 3 ..	79,391	93⅝c
Thursday, Oct. 4	73,515	92⅛c

The decline in prices has been general, as is indicated by the following schedule: The stocks most affected have been the silver issues, where the decline in silver, of course, exercises a direct influence on prospective profits. In the case of gold stocks, the drop has been less pronounced, and had it not been for weakness in Big Dome, the showing would not have been at all bad.

	Close Sept. 27	Close Oct. 14	Change
Adanac	.18½	.16½	— .02
Beaver	.39½	.37½	— .02
Dome Mines	8.85	8.10	— .75
Dome Ex.	.13½	.12	— .01½
Hargraves ..	.14	.10	— .04
Hollinger . ..	5.25	5.25	..
McIntyre .. .	1.48	1.42	— .06
Nipissing . ..	9.40	8.15	—1.25
Vipond	.26¼	.26	— .00¼
Newray	.73	.65	— .08
Temiskaming .	.35¾	.34½	— .01¼
West Dome ..	.17	.16½	— .00½

The drop in the price of bar silver has continued almost uninterruptedly and, from taxing their ingenuity to account for the extraordinary rise, ex perts are now seeking an explanation for the sharp decline. It is pretty well agreed that, apart from overspeculation, there is nothing in the situation to make one believe there has been a change in the general situation. Selling will doubtless continue as long as supplies are forthcoming, and just as soon as this ceases there will be a resumption of the upward movement. The fact that demand is very heavy and that production is lower will inevitably make for higher price in spite of any temporary recessions.

Ore shipments from the Cobalt camp last week were as follows:

Shipper.	Pounds.
Dominion Reduction Co.	88,000
McKinley-Darragh	79,790
Mining Corporation	172,467
Nipissing	270,820
Total	611,077

Bullion shipments were as follows:

Shipper—	Bars	Ozs.	Value
Nipissing ..	77	100,587.23	$108,109.73
Min. Corp.. .	66	67,419.89	78,502.03
Buffalo . ..	20	19,764.00	21,750.00
Totals . . .	163	187,771.12	$208,421.76

For the whole of September ore shipments amounted to upwards of 60 cars, containing nearly 4,500,000 lbs. of ore. This is by far the highest figure for the year, the next largest amount, 3,621,305 lbs., having been shipped in July. Bullion shipments amounted to about $382,573.

LADYSMITH SMELTING.

The smelter which was recently put in operation by the Ladysmith Smelting Corporation, at Ladysmith, B.C., will be capable of handling 1,200 tons of ore per day, although the initial capacity is 700 tons. There are two blast furnaces, one 42 in. x 120 in., and the other 42 in. x 160 in. at the tuyres. The boiler plant consists of two 80 h.p., one 88h.p., and one 104 h.p. boilers. Two electric generators furnish power for the motors and lighting system.

CONSOLIDATED SMELTERS.

Ore receipts at the Trail Smelter continue to show substantial improvement over the summer record. During the third week of September they aggregated 9,294 tons, which compares with 8,581 tons in the second week and 10,864 tons in the first week. For the corresponding week of 1916, receipts amounted to 11,814 tons, so that they are still running behind last year's totals. September comparisons are as follows:—

Week ending	1917	1916	Differ.
September 7...	10,864	8,286	+ 2,578
September 14...	8,581	10,113	— 1,532
September 21...	9,294	11,814	— 2,520
Year to date...	377,594	474,170	—96,576

HEDLEY GOLD.

With the payment of a fifty cent per share dividend on the 29th of September, the Hedley Gold Mining Company will have disbursed in this way a total of $180,000 this year, bringing the grand total of dividend payments up to $2,243,520. During the years 1914 and 1915, the company paid out a total of $300,000 but last year the total was reduced to $240,000 which, unless something at present unforeseen occurs, will be the figure for the current year. Mine officials report to Vancouver interests that, while the production of gold at the mine has increased, the costs of labor and supplies have increased in greater proportion, which is illustrated by the fact that the net earnings in 1915 were $375,745 while the following year, they had dropped to $248,617. The company's surplus at the end of last year was $443,687.

HOLLINGER.

Great things are expected from development on Miller-Middleton ground. It is stated that nearly 60-feet of ore recently crosscut on this property at the 200-foot level assays considerably higher than the average throughout the Hollinger mine itself over that width. It was this great "mineralized section" of which the General Manager said in his report recommending the amalgamation of the Hollinger, Acme and Miller Middleton properties:

"In the crosscut upon the 55-foot level one section shows an average value of $4.80 over a width of 126 feet, and two portions of this mineralized section show a value of $6.30 over 40 feet and $6.50 over a width of 22 feet."

Evidently this section at the 200-foot level favorably compares, in value as well as in width, with the richest sections of the other affiliated properties. Further results will be awaited with interest.

CONSOLIDATED MINING.

W. D. Matthews, president of the Consolidated Mining and Smelting Company, informs THE FINANCIAL POST that operations continue on a very satisfactory basis. The output of the plant has been greatly enlarged and there is a demand for practically all the products at much higher prices than under normal conditions. This demand with its attendant prices should continue at least so long as the duration of the war. By that time it is hoped that the market for some of the new products will have been established on a basis of a permanent character. Mr. Matthews points out one interesting feature of the company's operations and that is that gold has not changed in its market value. This despite the fact that the costs of mining and refining have shown a very large increase.

As regards the company's net profits Mr. Matthews points out that the full benefit of the enlarged output and high prices does not by any means accrue to the shareholders. There are increased costs all along the line. In fact metal like many other marketing products on a war basis is distributing the bulk of these profits to the public through various channels.

KERR LAKE.

During the past fiscal year Kerr Lake Mining Co. produced 2,551,346 ounces of silver at a cost of 26.75 cents an ounce. Positive ore reserves are estimated to contain 3,120,400 ounces. Comparing 1917 and 1916, the income account showed:—

	1917.	1916.
Total receipts	$666,441	$672,479
Exp., taxes, etc.	21,175	20,405
Written off	15,000	79,548
Surplus	*630,266	572,526
Previous surplus	67,493	94,968
Total surplus	697,759	667,494
Dividends	690,000	600,000
Profit and loss surplus	7,759	67,493

* Equivalent to $1.05 a share earned in the fiscal year on 600,000 shares of capital stock of $5 par value per share.

The operating company showed an increase in total income of $623,256. Expenses, depreciation, etc., increased $93,482, leaving an increase in balance of $529,774. The surplus for the year totalled $677,475, an increase of $525,774, and the total surplus stood at $1,711,045.

The income acount for the fiscal year ended August 31, 1917, compares as follows:—

	1917.	1916.
Total income	$1,909,465	$1,286,209
Exp., depre., etc.	565,990	472,508
Balance	1,343,475	313,701
Surplus	677,475	141,701
Dividends	666,000	672,000
Previous surplus	1,033,570	891,863
Profit and loss surp.	1,711,045	1,033,569

Adolph Lewisohn, President of the Kerr Lake Mining Co., in his remarks to shareholders, pointed out that "owing to the high price of silver the earnings of the company company during the past year were very satisfactory."

GRANBY CONSOLIDATED.

Gross income of $12,259,185 was reported by the Granby Consolidated Mining, Smelting, and Power Company for the fiscal year ended June 30, 1917. This compares with $9,299,337 in 1916. After the payment of increased operating costs, interest, and depreciation, the balance of $3,966,210 was equal to $26.44 a share on the $14,998,520 capital stock, against $3,819,295, equal to $25.46 in 1916.

The reason that earnings on the company's stock were not much larger than the previous year, in face of the increased gross income, was due to the fact that the company set aside $1,256,267 for depreciation, to which account no money was credited in the previous fiscal year.

At the meeting of stockholders the number of directors was reduced from thirteen to eleven, and the retiring directors were re-elected.

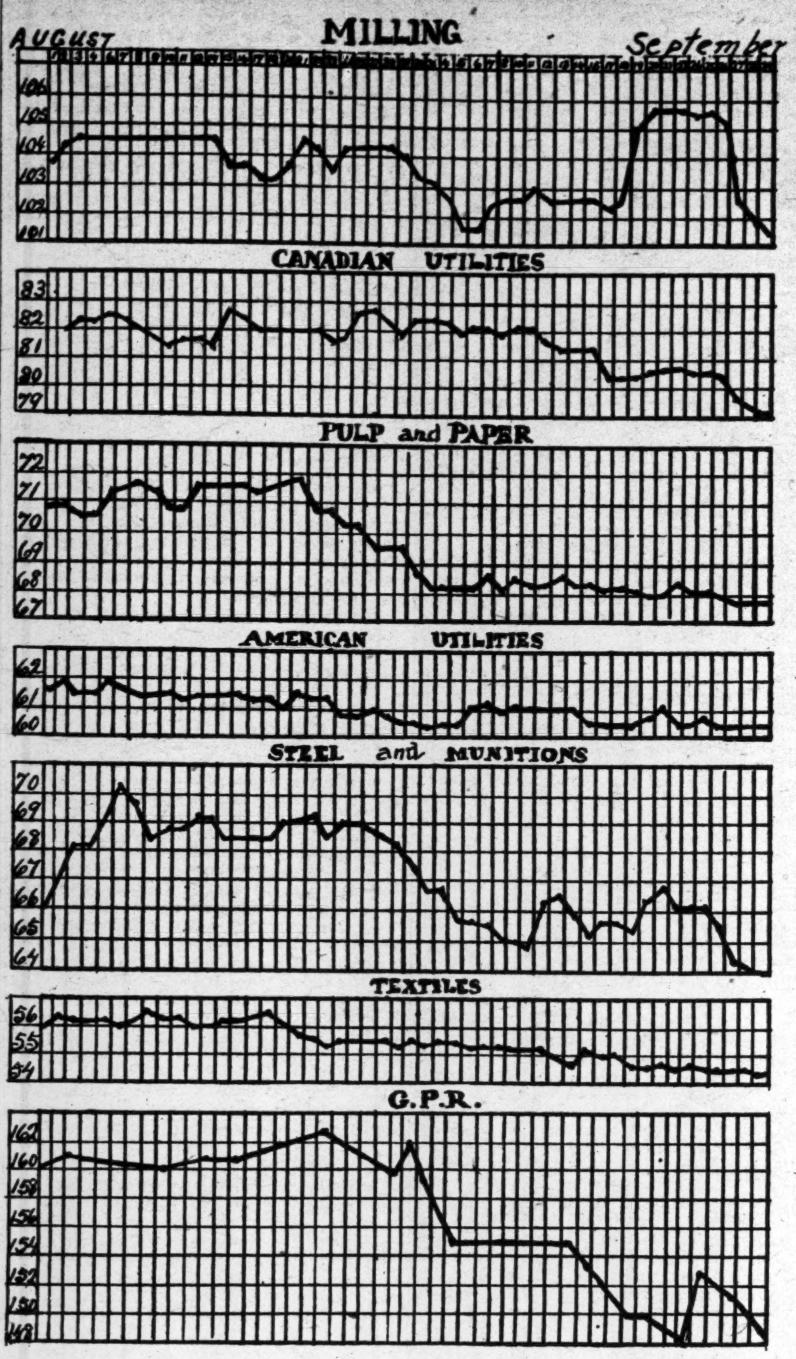
McINTYRE.

The old board of directors was reelected at the annual meeting of McIntyre Porcupine Mines. Manager R. J. Ennis declared at the meeting that McIntyre would bear favorable comparison with any Porcupine property. Although No. 5 vein was only 250 feet in length at the surface, it was 1,150 feet or more long at the 1,000-foot level. Jupiter had really only been touched and great developments might be expected on this property. President Bickell stated that 2,200,000 shares of McIntyre are now held in Canada.

DOME MINES.

Rumors have been rife during the week that Dome Mines would not exercise its option on Dome Extension. The option expires on October 17 and, as no intimation has been given that it would be taken up, the idea has gained ground that it might be dropped. There is a belief, however, that Dome Mines will take advantage of a clause in the agreement which admits of an extension, provided the holder of the option has, through no fault of his own, been unable to prosecute a certain amount of work per month. It is known that Dome Mines is behind in this particular, a circumstance which will give them the privilege of extending the option into next year.

CANADIAN STOCK MOVEMENTS



THE FINANCIAL POST'S chart of the movement of security prices on the Canadian market for the month of September indicates a continuation of those tendencies which have been in evidence for some months. However, the readjustment to lower levels was not so marked as it has been, and this would lend color to the opinion of traders that future developments have been well discounted, and that by the gradual process referred to the change to peace conditions is being spread over a considerable space of time. However, a gradual settling is the natural accompaniment of the marketing of such high-class securities as government bonds at prices to give increasing yields of interest. Such securities set a basis of value to which other securities must be adjusted.

As will be seen from the chart, the sensational movement of the month was in the milling group. The boom in milling stocks came with the announcement of the Ogilvie bonus. However, it will be noted that the rise was not a healthy one, that there was a readjustment, and that on the whole the milling stocks ended the month at a lower level than they opened. The steel and munitions groups also showed considerable activity, with the net result that a lower level was reached. The Canadian utility stocks again declined, while in the American group there was practically no change. The textile stocks showed a very even record, as usual, but the net result indicated a continuation of gradual readjustment. In the pulp and paper group there was a similar showing, but the readjustment was slight as compared with that which took place during the latter part of August.

The chart is based upon prices in actual transactions rather than day to day quotations. The groups include the important list of securities, and the price figures are chosen to permit of comparisons between the different groups.

MILLING

Uncertainty as to Price Future Has Effect of Cutting Into Volume of Business.

By J. L. RUTLEDGE.
Editor Canadian Grocer.

An interim report on the cost of bread in Canada has been issued by acting Commissioner W. F. O'Connor. This has certain interest to the milling industry but it is intimated that it will be followed by a more exhaustive review of the situation in Canada as regards the production of flour. Regarding the fixed price for wheat Mr. O'Connor says that with it will come a fairly uniform price for flour but that in the event of there being a fixed price for wheat there should be some supervision exercised to see that the quality is maintained. Figures are submitted to show flour cost on the new wheat price basis as follows:

The following table shows the cost of a barrel of flour based on the fixed price of wheat—namely, $2.21—at Fort William, as shown by the returns of the largest milling companies in Canada:

Cost of a barrel of flour (4.37 bushels at $2.21)	$10.22
Approximate cost of manufacture	1.15
Total	$11.37

Note—The cost of manufacture is calculated as follows: Expense, 20 cents; fuel, 2 cents; interest and exchange, 9 cents; travelling expenses, 3 cents; mill wages, 20 cents; salaries, 13 cents; insurance and taxes, 6 cents; bags and barrels, 42 cents; total, $1.15.

The long drawn out uncertainty as to what action the Food Controller intends to take with regard to the fixing of the price of flour is cutting into the new business of the milling companies. The bakers are afraid to buy except for their immediate needs, for they might be caught with a stock on hand if the market price was dropped by the action of the Controller. Indeed it is not at all certain that with the price of wheat fixed, and a likely fixing of the price of flour, there will not be an effort to reach an arbitrary selling price for bread, and the baker in the face of this is all the more backward in filling up his warehouse. However, the mills are still working well up to capacity as there is an active general business in flour from all sources. Indeed there have been a number of orders the last few days for carload lots locally, which indicates that the average customer does not expect any material lowering of the price. A brisk export trade is still being looked after. A sales manager of one large mill stated, however, that there is not more than fifty per cent. of the orders coming in that might be expected if conditions were normal.

A leading miller pointed out to THE FINANCIAL POST that the price of flour must really be determined by the price allowed for feed, the "offal," as it is called of flour manufacture. There was a fixed relation recognized in the United States where a net profit of 25 cents was allowed on the flour, and 50 cents a ton on feed, such as bran and shorts. In Canada the prices of both may be fixed, with a varying schedule for different localities, East and West.

LAKE OF THE WOODS.

A conservative policy which should win the confidence of the shareholders, was indicated at the annual meeting of the Lake of the Woods Milling Company, when, contrary to some expectations, but in accordance with predictions made in these columns, the directors decided not to declare a bonus. The report indicated a substantial increase in profits and the appropriations of funds to improve the reserve position of the company but there were no sensational earnings as indicated by some of the other companies which have other sources of income than the production of mill products. Vice-President W. W. Hutchinson, in referring to the satisfactory position of the company and the high condition of the plants, added that the Western crops for the year were proving very satisfactory, both as to quantity and quality, and that he looked forward with confidence to a steady run of all the mills for the year. A full review of the statement presented to the shareholders will be found in another column. There have been no developments in the stock market to indicate the effect there of the publication of the report.

OGILVIE MILLING.

After taking a dip from 145 to 140, and remaining at that level for some days, Ogilvie Flour this week showed a renewal of strength and moved up to 143 on light trading.

In discussing with THE FINANCIAL POST the question as to whether the Ogilvie Flour Mills Co. would be likely to continue the large profits of the past year, C. R. Hosmer, the president, remarked: "Well, at all events, the profits we have made in the year just closed are safe, and the bonus is being distributed to the shareholders, who, by the way, are very widely scattered. There are holders of stock in various parts of England, France and Switzerland. Whether profits will be as large under fixed prices or not, we are at least sure of a margin on all we produce, and are in no danger of losing by a slump in the wheat market with stocks on hand, bought at higher prices."

MAPLE LEAF.

After Maple Leaf common had advanced to 110 it was not a matter for surprise that the directors made a handsome distribution to the shareholders in the shape of a bonus of 1½ per cent., in addition to the regular quarterly dividend of 2½ per cent. Coming after the Ogilvie declaration it is another indication of the prosperity which the milling companies are experiencing. The dividend record shows a first declaration of 3 per cent. in 1916, at which time the common was placed on an 8 per cent. basis, and this was increased to 10 per cent. in March of this year. The company has no bond obligations, and profits are a direct benefit to shareholders.

As might have been expected, the announcement of the bonus was followed by some liquidation, with the result that the price moved down to around 106, and after it went ex-dividend the basis was reduced a further 4 points. Late quotations were 102½ asked and 100 bid.

ST. LAWRENCE MILLS.

Arrangements will be carried forward, following the annual meeting of the St. Lawrence Flour Mills, Limited, next week, to list the securities of the company on the Montreal Stock Exchange. The statement to be submitted to the shareholders at the annual meeting will show that the company has been benefiting from the conditions which have recently prevailed in the milling industry and that every dollar of liability has been paid off, while a comfortable cash balance has been accumulated.

The last available figures regarding the company's stock position indicate common outstanding $1,200,000, and preferred $577,500, while the funded debt is $300,000.

PULP AND PAPER

Prices Uninfluenced to Any Extent by Proceedings at Newsprint Inquiry.

By W. A. CRAICK

It is quite evident from a survey of the market that this week's sessions of the Canadian newsprint inquiry exerted no influence, either favorable or unfavorable, on pulp and paper securities. Trading is still exceedingly light and price movements virtually negligible. That this is in keeping with the character of the general stock markets is reassuring, to the extent that it proves there is nothing radically wrong with the pulp and paper group in itself. The changes for the week in the principal stocks are as follows:

	Close Sept. 27	Close Oct. 4	Change
Riordon	116½	115½	—1
Span. R., com.	14⅞	15	+ ⅛
Wayagamack	56	56	...
Brompton	47	44½	—2½
N.A. Pulp	3 7-16	3 7-16	...
Howard Smith	65	65	...
Laurentide	165	164¾	— ¼

The newsprint inquiry was resumed at Ottawa on Tuesday and continued on Wednesday. It was then adjourned until October 29, when the Commissioner hopes to conclude the taking of evidence. More detailed attention is given to the proceedings elsewhere in this issue.

RIORDON PULP.

The intimation from Ottawa that the price of newsprint will be fixed at $60 a ton does not affect Riordon Pulp & Paper Co., who deal only in high grade sulphite pulp and sulphate. The slight decrease in orders of July and August has been succeeded by heavier business with the United States, and it is expected that the outcome of the embargo on shipment of British goods to Sweden will enlarge the field for Riordon sulphite pulp in England.

Riordon shares are exhibiting week by week an inclination to decline to lower levels. This week they have dropped from 116½ to 115½ on very light trading. While this is not the low point of the year, 108 having been touched in April, it is still pretty far down for a heavy earning stock like Riordon.

LAURENTIDE.

At 164¾ this week, Laurentide shares are at their low point for the year. Between the first of May and the middle of September these shares held fairly consistently between 170 and 180, but during the latter half of the month they have sagged under the 170 mark. Being an investment issue, the current price simply reflects the declining value of money and is no indication of any stock market manipulation in the stock.

SPANISH RIVER.

Spanish River common continues to hold pretty steadily around $15 a share. A sale went through during the week at 14, but the stock sold up again to 15 on Thursday. The preferred shares are not being touched, the last sale having been recorded early in September at $50 a share.

BROMPTON.

Selling of Brompton on Thursday depressed the price of this issue to 44½. At this figure the improvement noted last week has been practically wiped out. A decline of 3 points from the high of the previous week is involved in the movement.

TRANSPORTATION

Markets Indicate Effect of Decreasing Margin of Net Profits on Earnings.

The passing of the Grand Trunk dividend in London and the weakness of Canadian Pacific may be taken as indicating the effect of the decreasing margin of net profits which transportation companies are showing as the result of the rising cost of operation. The Grand Trunk action would seem to indicate that there is not much confidence on the part of the board in getting favorable action from the Railway Commission on the application for increases in rates. That these increases will sooner or later be necessary for the maintenance of efficient service would appear to be obvious. It does not seem

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

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SIR JOHN AIRD - - - General Manager
H. V. F. JONES - - Ass't General Manager

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THE BANK OF NOVA SCOTIA

INCORPORATED 1832

CAPITAL, - - $ 6,500,000
RESERVE, - - 12,000,000
TOTAL ASSETS, - 115,000,000

HEAD OFFICE, HALIFAX

BOARD OF DIRECTORS:

John Y. Payzant, President
Charles Archibald, Vice-President
G. S. Campbell
S. J. Moore
W. W. White, M.D.
Hector McInnes
J. Walter Allison
W. D. Ross.
James Manchester
Hon. N. Curry
Hon. M. C. Grant

GENERAL MANAGER'S OFFICE, TORONTO

H. A. Richardson, General Manager. J. A. McLeod, Asst. General Manager.

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UNION BANK OF CANADA

Established 1865

HEAD OFFICE - WINNIPEG

Paid-Up Capital ....$ 5,000,000
Reserve 3,400,000
Total Assets .... over $109,000,000

John Galt ....President
H. B. Shaw .... General Manager
J. W. Hamilton...Assistant General Manager

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CORRESPONDENCE SOLICITED.

NEWS OF SECURITIES

Continued from page 3

logical that the railroads with their higher labor and material costs should be asked to perform their service on the same basis as under normal conditions. If they are not able to do so, then it will be the country in general as well as the shareholders of the companies that will suffer, because it is highly important at such a time that our agricultural and manufactured products should be moved to the consumer with all despatch.

Railway officials report in connection with the coal embargo that the situation is better than a year ago, but that the consequences may be serious if the regulation continues. The railways have been using every available piece of suitable rolling stock, with the result, as indicated by figures given in another column, that the amount of coal moved into the country during the open season has been considerably increased. Following are comparative figures of earnings:—

	1917	1916	Change	%
C.P.R.	$11,952,000	$11,846,000	+ $106,000	.8
C.N.R.	3,341,700	3,187,900	+ 153,800	4.8
G.T.R.	5,783,792	5,626,826	+ 156,966	2.8
	$21,077,492	$20,660,726	+ $416,766	2.0

CANADIAN PACIFIC.

For the last ten-day period in September the gross earnings of the Canadian Pacific Railway company amounted to $3,631,000 against $3,660,000 for the corresponding ten-day period in 1916, a decrease of $29,000, or .7 per cent. For the month of September the earnings were $11,952,000 as compared with $11,846,000 for the same month in 1916, an increase of $106,000, or .8 per cent.

	1917	1916	Dec.	%
Sept. 7....	$2,666,000	$2,679,000	$13,000	.4
Sept. 14....	2,691,000	2,728,000	87,000	1.3
Sept. 21....	2,964,000	2,779,000	*185,000	6.6
Sept. 30....	3,631,000	3,660,000	29,000	.7
	$11,952,000	$11,846,000	*$106,000	.8

* Increase.

The August statement of the Canadian Pacific Railway showed gross earnings amounting to $12,414,537, which are lower by $855,930 than for the same month in 1916, and compared with the gross for July showed a decrease of $963,323. Operating expenses amounted to $8,596,999, an increase of $794,319, while net profits for August showed a substantial decrease over the same month in 1916, the figures being $3,817,538 in 1917, and $5,467,787 in August, 1916. The decrease was $1,650,249, or 30.1 per cent. Comparative figures of gross earnings, working expenses and net earnings for the past eight months follow:

	Gross earnings.	Working expenses.	Net profits.
January	$10,158,308	$7,726,829	$2,431,478
February ...	9,084,276	7,098,228	1,986,048
March	11,846,543	7,909,225	3,397,318
April	12,855,519	8,180,541	4,174,977
May	14,355,149	9,803,429	4,551,720
June	13,586,979	9,671,073	3,915,906
July	13,377,860	9,617,853	3,760,007
August	12,414,537	8,596,999	3,817,538

For the eight months of the current year the gross earnings amounted to $97,149,174, which compares with $88,529,630 for the corresponding eight months in 1916, while the net for the eight months amounted to $28,574,994, against $29,086,612. For the eight months since 1910 the gross and net earnings are as follows:

Eight months.	Gross.	Net.
1917	$97,149,174	$28,574,994
1916	88,529,630	29,086,612
1915	59,623,910	20,143,767
1914	74,928,396	22,256,095
1913	89,297,029	27,192,655
1912	85,057,289	27,994,096
1911	68,463,876	21,861,720
1910	63,188,522	20,946,372

Canadian Pacific has been weak all week. Opening at 148 on Monday there was only half a point improvement shown above the year's low record. The passing of the Grand Trunk dividend and the narrowing of the margin of net profits on account of the high cost of operation may be taken as an important factor in the situation. Further, there does not appear to be ground for hope of an early increase in rates as the companies are hoping.

CANADIAN NORTHERN.

The Canadian Northern Railway System reports gross earnings for the month of August amounting to $3,405,200 which are lower by $279,700 than for the same month in 1916 and as compared with the earnings for July show a decrease of $439,700. Operating expenses during the month increased by $199,100 over August a year ago, the amount being $2,812,000 for August of the current year against $2,612,900 a year ago. Net earnings amounted to $593,200 compared with $1,072,000, a decrease of $478,200 or 44.6 per cent. Comparative figures of gross and net earnings since January follow:—

Month	Gross		Change	%
January	$2,832,600	+	$745,800	85.8
February ...	2,358,600	+	269,400	12.9
March	3,273,200	+	666,200	25.6
April	3,315,500	+	491,200	17.4
May	3,784,700	+	695,800	22.5
June	4,048,600	+	671,400	19.9
July	3,844,900	+	10,700	.3
August	3,405,200	—	279,700	7.5
Month	Net		Change	%
January	$ 482,100	+	$226,700	88.9
February ...	108,200	—	21,200	16.4
March	618,100	+	251,700	68.7
April	757,900	+	208,000	37.8
May	1,054,400	+	327,200	45.0
June	1,087,600	+	102,600	10.4
July	904,900	—	292,500	24.4
August	593,200	—	478,800	44.6

The aggregate gross earnings from July 1, to the end of August amounted to $7,250,100, a decrease over the corresponding period in 1916 of $269,000, while the aggregate net earnings were $1,498,100, a decrease of $771,300.

For the last ten-day period of September the gross earnings of the Canadian Northern railway amounted to $1,104,400, which is an increase of $19,400, or 1.7 per cent. over the corresponding ten-day period in 1916. For September the amount was $3,341,700, an increase of $153,800, or 4.8 per cent. For September the earnings are as follows:—

	1917	1916	Inc.	%
Sept. 7....	$715,800	$708.900	$6,900	.9
Sept. 14....	751,300	668,000	83,300	12.4
Sept. 21....	770,200	726,000	44,200	6.0
Sept. 30....	1,104,400	1,085,000	19,400	1.7
	$3,341,700	$3,187,900	$153,800	4.8

One hundred million bushels of grain were loaded and handled over the lines of the Canadian Northern Railway System in Western Canada during the crop year ended August 31st. In all, 88,953 cars were handled over its lines in Manitoba, Saskatchewan and Alberta, 60,551 cars being moved through to Port Arthur and points east of that Lake Superior port. Wheat constituted the major portion of the total handlings, and was destined to relieve to a considerable degree, the intense demand of the war-wrecked peoples on the other side of the Atlantic.

In 1898, when the influence of the Canadian Northern Railway construction was beginning to be reflected in larger production on the Western plains, the entire crop attained to less than 57 million bushels according to figures of the Department of the Interior. Accordingly the grain loaded and handled over the lines of the Canadian Northern—and a great deal of it produced from territory opened up for settlement since 1898—is almost double the Western Canada production of 19 years ago. The difference is almost incalculable between the cash returns from the two crops to the farmer and to the manufacturers who provide the goods Western Canadians need.

GRAND TRUNK.

The Grand Trunk Railway company reports gross earnings for the last ten-day period in September amounting to $1,828,755 against $1,786,466 for the corresponding period in 1916, an increase of $42,289 or 2.3 per cent. For the month of September the gross amounted to $5,783,792, an increase over the same month in 1916 of $156,966, or 2.8 per cent. Following are comparative figures for the month:—

	1917	1916	Inc.	%
Sept. 7....	$1,317,980	$1,276,061	$41,919	3.2
Sept. 14....	1,300,745	1,253,629	47,116	3.7
Sept. 21....	1,336,312	1,310,670	25,642	1.9
Sept. 30....	1,828,755	1,786,466	42,289	2.3
	$5,783,792	$5,626,826	$156,966	2.8

For the week ending September 7, the gross earnings of the Grand Trunk Pacific railway amounted to £21,645 against £14,595 for the corresponding period a year ago, an increase of £7,050, while from July 1, to September 7, the earnings were £222,226, an increase of £65,176.

A London market cable announces the passing of the dividend on the guaranteed 4 per cent. non-cumulative stock to which the above cable presumably refers. The comapny's inability to make a distribution on that issue would indicate that there would be nothing coming to any of the other issues ranking below the guaranteed stock for dividend consideration. There was marked weakness in the preference issues yesterday on the announcement, of the passing of the dividend.

The explanation of the directors was that efforts to obtain an increase in rates had not been successful and that under the circumstances, and considering the increasing cost of operation, the distribution could not be continued. THE FINANCIAL POST has on a number of occasions during the past year pointed out how the rising market for materials and labor was cutting down the margin of net profit.

CANADA STEAMSHIPS.

With the net earnings of the Canada Steamships Lines for 1916, after allowing for depreciation and war taxes, over $2,000,000 and equal to about 20 per cent. on the preferred stock, it is being pointed out that there is a wide margin of safety over the 7 per cent. dividend, and, with the 5¼ per cent. to be paid shortly, brokers take the attitude that this stock looks cheap around the present price of 79 on which it would yield 8.90 per cent.

CUBA RAILWAY.

The year which ended on June 30, was a trying one for the Cuba Railway. Not only was there a falling off of $354,300 in gross receipts but there was an increase of $1,240,500 in working expenses. The result was that the net earnings showed a decline of nearly $1,595,000 as compared with the previous year. There was some improvement in miscellaneous income but on the other hand fixed interest charges were higher. The balance of profit and loss decreased by $1,717,700, and the sum available for distribution was only $827,650 against $2,545,415 for the previous fiscal period. Under the circumstances the fact that the results for the month of June alone were much more satisfactory will be a relief to the shareholders and it is figured that the danger of a reduction in the preferred dividend has been averted. During June the gross earnings increased $211,600 compared with June of 1916 and the net showing was better by $51,700. These are the first increases shown since January.

Following are comparative figures for the past three years:

	1916-17.	1915-16.	1914-15.
Earnings	6,461,359	6,815,697	5,206,714
Expenses	4,539,213	3,298,670	2,470,174
Ratio	(70.25)	(48.40)	(47.61)
Net	1,922,146	3,517,027	2,727,540
Other	12,000	6,632	....
Total net	1,934,146	3,523,659	2,727,540
Charges	1,106,496	978,244	853,856
Net profit....	827,650	2,645,415	1,872,684
Div. on Pref..	600,000	600,000	600,000
For Ordinary.	227,650*	1,945,415	1,273,684
Ordinary	....	720,000	600,000
Surplus	....	1,225,415	673,684
Written off ..	....	....	310,758
Surplus	....	1,225,415	362,926

Appropriation for the full 6 per cent. on the preferred stock left a surplus of $247,650 which is equal to a dividend of nearly 2 per cent. on the common.

The falling off in the earnings indicated has been mainly due to the political disturbances which occurred over the general election. On the head of this the company has been facing heavy increases in operating expenses as the result of the rising market for labor and materials. This is particularly emphasized when it is stated that the ratio of working expenses to total receipts increased from 49.40 per cent. to 70.25 per cent. in the year.

ELECTRIC RAILWAYS

No Improvement Shown in the Market for the Public Utility Securities.

There has been no improvement in the market for public utility stocks during the week, and there has been continued evidence of readjustment. How this readjustment has continued steadily for some time is illustrated in the market chart published in this issue, which shows the movements of the past two months. It is now being pointed out with regard to some of the street railway stocks that they have reached levels where they are showing unusually high returns to the investor, and it is considered that they must be near the bottom of the movement unless all previous experience goes for naught in this war period.

It will be interesting to shareholders in public utility concerns to note that the Toronto press realizes that such developments as the failure of the abattoir scheme and the strike of the street cleaners weaken the arguments in favor of public ownership. This phase of the situation is dealt with editorially in this issue.

TWIN CITY.

Gross revenue of the Twin City Rapid Transit Company for the month of August showed a decline over the corresponding month in 1916 of $1,489, while operating expenses were higher by $47,239. Net revenue for the month amounted to $276,051 against $324,779 for August a year ago. Fixed charges and taxes showed an increase of $17,677 and net income a decrease of $66,406. For the eight months of the current year the gross revenue amounted to $6,882,599, an increase over the corresponding eight months in 1916 of $142,358, while net revenue amounted to $2,334,495, a decrease of $217,779. Following are comparative figures for the month of August and for the eight months:—

August	1917	1916		Change
Gross revenue...	$848,477	$849,966	—	$ 1,489
Oper. expenses..	572,426	525,187	+	47,239
Net revenue	276,051	324,779	—	48,728
Fixed char., etc.	162,411	144,734	+	17,677
Net income	113,639	180,045	—	66,406
8 months				
Gross revenue...	$6,882,599	$6,740,241	+	$142,358
Oper. expenses..	4,548,104	4,187,966	+	360,138
Net revenue ...	2,334,495	2,552,274	—	217,779
Fixed char., etc	1,189,094	1,143,167	+	45,927
Net income ...	1,145,400	1,409,107	—	263,707

The fact that Twin City has fallen to 77 is pointed out by traders as an example of the low level to which the market has sagged. This stock opened the year at 94. It has always been regarded as a very attractive proposition from the investment point of view, and at 77 shows a large return on the investment.

CAPE BRETON ELECTRIC.

The Sydney and Glace Bay Railway owns the electric line between the towns of Sydney and Glace Bay. It is leased by the Cape Breton Electric Company which pays therefor an amount large enough to enable the Sydney and Glace Bay Company to meet the interest on $389,000 of bonds and a dividend of 5 per cent. on the capital stock of $500,000. In the Sydney and Glace Bay Company the Dominion Coal Company had a half interest. The Cape Breton Company is largely controlled by Boston capitalists and the interests in each company are practically identical. Recently some improvements were made on the Sydney and Cape Breton line and the company obtained permission to issue new bonds of $10,000 to defray the cost of the work. There is a sinking fund at present of $4,400 and from time to time bonds are redeemed. The request will no doubt be granted and when it is formally ordered the company's bond issue will stand $389,000.

The Cape Breton Electric Company's statement for the month of July shows gross earnings amounting to $40,500 which compares with $32,858 for the same month in 1916, an increase of $7,641. Operating expenses and taxes showed an increase of $6,121, while net earnings were higher by $1,519. For the twelve months ending with July the gross earnings amounted to $433,185 as compared with $383,240 for the corresponding period in 1916, an increase of $49,945. Operating expenses were higher by $34,272 which left net earnings amounting to $174,006, an increase of $18,672. Interest charges showed an increase of $151, and sinking fund requirements an increase of $15. The earning statement for July and for the twelve months follows:

	July 1917	July 1916	Inc.
Gross earnings........	$40,500	$32,858	$7,641
Oper. exp. and taxes.	25,293	19,171	6,121
Net earnings	$15,207	$13,687	$1,519
12 months			
Gross earnings	$433,185	$383,240	$49,945
Oper. exp. & taxes..	259,179	224,906	34,272
Net earnings	$174,006	$158,333	$15,672
Interest charges	63,374	63,222	151
Balance	$110,632	$ 95,110	$15,521
Sinking fund	15,360	15,344	15
Balance	$ 95,272	$ 79,765	$15,506

BRAZILIAN.

The August returns of the Brazilian Traction company show gross earnings amounting to 8,064,000 milreis, compared with 7,405,000 milreis for the same month in 1916, an increase of 659,000 milreis, but net earnings for the month showed a falling off of 36,000 milreis, due to an increase in operating expenses of 695,000 milreis. The large increase in operating expenses is said to be due to the high price of coal required for the company's gas enterprises in Rio and Sao Paolo. The net earnings which amounted to 4,017,000 milreis were higher by 168,000 milreis than for the month of July, when there was a decrease in net earnings of 292,000 milreis. Following are comparative figures of net earnings for the past twelve months:—

	1916	—Milreis— 1915	Inc.
August	3,032,000	3,857,000	175,000
September	3,703,000	3,705,000	*2,000
October	3,821,000	3,907,000	*86,000
November	3,673,000	3,440,000	233,000
December	3,863,000	3,412,000	451,000
	1917	1916	Inc.
January	4,002,000	2,841,000	161,000
February	3,885,000	3,519,000	366,000
March	4,151,000	3,783,000	368,000
April	4,053,000	3,840,000	213,000
May	4,289,000	4,108,000	181,000
June	4,022,000	3,930,000	92,000
July	3,849,000	4,141,000	*292,000
August	4,017,000	4,053,000	*36,000

* Decrease.

From January 1, to the end of August the aggregate gross earnings amounted to 60,505,000 milreis, an increase over the corresponding period a year ago, of 4,492,000 milreis, while the aggregate net earnings were 32,268,000 milreis, an increase of 1,053,000 milreis.

With a very fair amount of trading Brazilian has given some slight evidence of weakness, having sold down as low as 38½, with a high point of 40 on Monday.

ILLINOIS TRACTION.

Gross earnings of the Illinois Traction company for the month of August amounted to $1,114,510 as compared with $971,933 for the same month in 1916, an increase of $142,577. Operating expenses were $767,079, and were higher by $128,583, while net earnings amounted to $347,431 against $333,437, an increase of $13,994. For the eight months of the current year the gross earnings amounted to $8,677,623, an increase over the corresponding period in 1916 of $844,984, and net earnings for the eight months were $3,019,962, an increase of $120,678. The earning statement for August and for the eight months follows:—

August	1917	1916		Change
Gross	$1,114,510	$971,933	+	$142,577
Expenses ...	767,079	638,496	+	128,583
Net	347,431	333,437	+	13,994
Eight months				
Gross	$8,677,623	$7,832,639	+	$844,984
Expenses ...	5,657,661	4,933,355	+	724,306
Net	3,019,962	2,899,284	+	120,678

B. C. ELECTRIC.

The British Columbia Electric railway's earning statement for the month of August shows an increase in gross earnings as compared with August a year ago of $30,687, and compared with the figures for July show an increase of $16,047. Operating expenses for the month were higher by $46,564, the amount being $396,168 against $349,604 for August a year ago. Net earnings amounted to $58,257, compared with $74,134, a decrease of $15,877, which compares with a decrease shown in net earnings for the month of July of $4,876. Gross and net earnings since January are as follows:—

	1916	1917	Inc.
	NET		
Jan.	$114,022	$130,470	$16,457
Feb.	96,522	101,680	5,158
March	91,298	100,448	9,150
April	77,867	97,088	19,221
May	62,830	72,729	9,890
June	56,399	21,245	*35,154
July	63,200	58,324	*4,876
August	74,134	58,257	*15,877
	GROSS		
	1916	1917	Inc.
Jan.	$591,949	$627,130	$35,181
Feb.	572,935	581,555	8,620
March	446,401	456,626	10,225
April	421,265	447,429	26,164
May	414,215	438,919	24,704
June	400,814	373,029	*27,785
July	411,847	438,378	26,531
August	423,738	454,405	30,687

*Decrease.

The aggregate gross earnings from July 1, to the end of August amounted to $892,803 against $835,584 for the corresponding period in 1916, an increase of $57,219, while the aggregate net earnings were $116,580, a decrease of $20,753.

DULUTH-SUPERIOR.

The Duluth-Superior Traction company reports gross earnings for the third week in September amounting to $31,768 as compared with $27,921 for the corresponding period in 1916, an increase of $3,846 or 13.8 per cent. For the month to date the earnings amounted to $96,172, an increase of $13,140 or 15.8 per cent., while for the year to date the earnings were $1,132,442 against $980,489, an increase of $151,952 or 15.5 per cent. For the three weeks the earnings are as follows:—

	1917	1916	Inc.	%
1st week	$32,633	$27,938	$4,695	16.8
2nd week.....	31,770	27,171	4,599	16.9
3rd week.....	31,768	27,921	3,846	13.8

Duluth Superior has been easier this week, sagging from 44 to 43 on small business. Those who are close to the management state their belief that the fact that a utility stock paying 4 per cent.—and having just resumed it giving fair assurance of continuance—can be secured at such a figure is an indication of the low level which the market has reached.

NOVA SCOTIA TRAMS.

The board of public utility commissioners has given a decision in the application of the Nova Scotia Tramways and Power Company to increase its capitalization by the issue of bonds and shares to the extent of $1,415,000. They agree to allow the company to issue 5 per cent. bonds amounting to $375,000 at 90, but decline to permit the issue of new shares. It is intimated by the commissioners, says THE FINANCIAL POST'S Halifax correspondent, that this decision is meant only to cover the company's immediate needs and is not a final decision to the application. It is a sort of interim judgment. The working capital which the company has in hand, the commissioners intimate, seems to them to be too large for that purpose—more than $300,000—and it is hinted that a part of this could be used for the purposes for which new capital is asked. Extension of lines, laying of gas mains, purchase of cars and other improvements are set forth as the purposes for which the new funds are required, but these do not include the building of new car barns and gas works which had been previously provided for.

DETROIT UNITED.

Operating expenses continue to increase more rapidly than gross earnings with Detroit United Railways, as has been the case for several months past. The returns for August show gross earnings of $1,589,199, an increase of $110,212 over August, 1916, but as expenses of $1,205,179 were $178,202 more, the net earnings fell behind $67,990. Deducting interest and taxes charges [illegible], the surplus for the month was $182,281, a net decrease of $71,938.

For the eight months of the present year the figures show a little better as the earlier months ran ahead. The gross earnings were $11,903,358, an increase of $1,258,194, while the expenses were $8,580,090, an increase of $1,313,128. This left the net earnings at $3,323,268, a decrease over the corresponding period of 1916 of $106,624.

There was a slight easing off in the stock this week from 111 last week, and it dropped to 109¾ on Tuesday. On Wednesday sales were uniform at 110.

TORONTO RAILWAY.

After declining from around 72 to 63½ points in about a week, Toronto Railway showed only a mild recovery and late prices indicate 64½ to 65. There has been no adequate explanation offered for the sharp drop. Shareholders are more or less in the dark as to whether it was warranted by the actual value of the shares, whether it was a professional raid organized to take advantage of the unsettled opinion prevailing, whether a decision has been reached with regard to the dividend, or whether it was simply a case of a very soft market yielding under the pressure of a desire to realize. From official sources there is no information available to indicate any definite reason for the movement.

Shareholders are no doubt in a very uncertain frame of mind. Not only is there the question of the expiry of the city franchise of the tramways company itself, but there is the whole question of the future of the subsidiaries to be considered in relation to which the propaganda of Sir Adam Beck and the trend of public opinion in favor of government ownership and operation of hydro enterprises cannot be viewed with equanimity.

So far as the franchise matter is concerned, THE FINANCIAL POST has been making some inquiries regarding the relations between the company and the city, and finds that there is evidently no thought of renewal of negotiations at the present time. An official put the position of the city thus: the people have voted to take over the system; the franchise expires in 1921, and under the agreement the city will then take over the whole plant, etc., on the basis of valuation to be set by a board of arbitration and under the franchise agreement which sets forth that the valuators shall recognize "what the land is worth without reference to its value for the purpose of operating a street railway or railways."

WINNIPEG ELECTRIC.

A report from Winnipeg indicates that the change of management of the concern by which E. W. McLimont is placed in charge may indicate a broad reorganization of the company's manifold interests—a reorganization to be commenced after the new manager has made himself thoroughly familiar with all the different phases of the situation. Mr. McLimont has already taken over his new duties.

During the week the stock slumped again to 45, but later recovered to 48.

BARCELONA.

When Barcelona Traction sold at 10 this week it touched the low point of the year. Since it opened in January at 13¾ there has been in evidence a general tendency to lower levels which has quite evidently accompanied the general readjustment of investment values. In the case of Barcelona, reports indicate that the benefits of increased demand from war activity have been offset by higher costs of production and general unsettledness.

LIGHT AND POWER

CIVIC INVESTMENT.

The steady growth shown by Montreal Light, Heat & Power Co., as a separate organization, has been continued when it has lost its operating identity and appears, with The Cedar Rapids Manufacturing & Power Co., under the name of Civic Investment and Industrial Co. In the four months ending August 31 the gross earnings were $3,083,290, an average of $770,823 a month, as compared with an average of $754,000 for the nine months ending April 30. For the month of August, 1917, the earnings being $783,412 as against the 1916 average of $754,000.

The expenses for August amounted to $362,771, leaving net earnings of $420,640. The charges were $83,088, so that the surplus was $337,552. For the four months of the new fiscal year already referred to the expenses were $1,423,469, leaving net of $1,659,821, from which charges of $332,480 would allow a surplus of $1,327,340.

Apart altogether from the point of view of increased business, which in these days of growing operating expenses does not necessarily mean greater net earnings, the result of an analysis of the relation between the expenses and the revenue is important. This works out very satisfactorily in this case, however. Out of every $100 of revenue for the nine months of the past year $46.2 was paid out of operating expenses. But for the first four months of the new fiscal year, ending August 31 the operating expenses work out at only $42.3 out of every $100. This simply indicates that most of the new business that is built up will furnish a larger profit for the company than that which it has already. This element is a feature of power companies that is not possible for the great majority of other industrials. The net earnings for the four months' work out at 6.5 per cent. on the paid up capital stock of $63,717,000, so that there is a safe leeway from the four per cent. that is being paid.

One of the future possibilities of Civic Investment is an increase in the price of gas. It's more than probable that it will be a development of the near future, owing to the heavy increases in cost of generation.

NORTHERN ONTARIO.

At a special general meeting of the shareholders of the Northern Ontario Light and Power Company, Ltd., the by-law recommended by the board of directors authorizing alterations in the bond mortgage securing 6 per cent. first mortgage gold bonds of the company was passed. The alterations were likewise authorized by a resolution of the bondholders.

The company which was incorporated to take over the properties of the Cobalt Power company and its subsidiaries and the Cobalt Hydraulic Power Company and has taken over the Cobalt Light, Power and Water Company and the business of the British Canadian Power Company had bonds to the amount of $4,556,000 outstanding on December 31, 1916. These are due April 1, 1931.

CALGARY POWER.

At the meeting of shareholders of the Calgary Power Company this week the following directors were elected: Lord Beaverbrook, R. B. Bennett, A. E. Cross, V. M. Drury, H. A. Lovett, E. R. Wood and I. W. Killam. The latter is president of the Royal Securities Corporation, and is a new member of the board. The retiring directors are Thomas Hood, C. C. Giles and George Robertson. R. B. Bennett was re-elected president and V. M. Drury secretary. The last report of Calgary Power showed gross revenues of $266,982 as compared with $279,613 last year, and net earnings of $65,209, compared with $80,192 for the previous year. The company looks forward to the city using an additional 1,000 horse-power this year, which would provide an annual revenue of $150,000. The net profits on this would be larger in proportion than on the rest of the power supplied, as the operating expenses would not keep pace with the increase.

SHAWINIGAN.

The Shawinigan Water & Power Company is fortunate in having the advantage of operating costs falling proportionately with the production. As the development of 50,000 h.p. does not cost anything like double that of 25,000, investors will be pleased to learn that at a meeting of the directors to declare the regular dividend this week the statement was made that by the end of the year the increase of new business for 1917 would exceed 24,000 horse-power. Indeed, the consumption of power for the four months from May to August shows an increase of 30 per cent.

"It is not a question of securing customers, it is now a matter of developing power sufficient for the demand," said the vice-president and chief engineer, Julian C. Smith, to THE FINANCIAL POST. "The completion of the Government storage dam in a month or six weeks will give us a much greater supply, as well as the Laurentide, whose power we are using now.

"In figuring out our profits regard must be paid to the increased costs under which we operate: poles, aluminum, wages, etc. But in making new contracts we are advancing prices to allow for this. So far the shutting down of munition plants has not affected us; there are practically none where we supply ourselves, as in Montreal we deliver to the M.L.H. & P. Co."

Indeed the experience of the Shawinigan Co. is that the industries they are supplying direct are increasing their requirements to an almost phenomenal extent.

"We have here in this province the greatest power situation in the world," said the president, J. E. Aldred. "We are using up power faster than in any zone similar to Shawinigan on the continent."

The stock sold lightly on Thursday at 117¾, a slight decline of ¼ to ½ point over the week-end.

An impending increase in the capital stock of the Shawinigan Water & Power Co. is intimated in the calling of a meeting of the shareholders on Wednesday, Oct. 31, to approve of the increase from $15,000,000 to $20,000,000, and to authorize the directors to issue this stock from time to time in such amounts as they may deem advisable. The sums mentioned as the likely amount run from $1,000,000 to $1,500,000. This will be the third issue of stock by this company during the war. The first was in 1915 for $1,237,500, and the second in 1916 for $1,361,250, about ten per cent. of the old stock in each case. If this is done in the third instance the issue would be $1,500,000. The first two were readily absorbed, the first at par and the next at 115. The stock was selling this week around 115½.

In addition to the increased consumption of power the new chemical plant of the Company, the Canadian Electro Products Co., which was built last year to supply certain chemicals to the Imperial Munitions Board, has proved a profitable investment.

WESTERN POWER OF CANADA.

Western Power Company of Canada, Ltd., Vancouver, B.C., reports operating revenues for August, 1917, of $37,376.58, an increase of 16.85 per cent. over the same month last year, and net earnings of $25,827.53, an increase of 6.64 per cent. compared with August, 1916.

The net earnings for the year 1917 to date are $212,731, compared with $161,419 in 1916. For the twelve months ended August, 1917, the net earnings are $330,101.02, an increase of 31.37 per cent. over the twelve months ended August, 1916.

OTHER STOCKS

Softness Appears to be in Evidence All Along the Line This Week.

The tendency to lower levels does not appear to be confined to any particular group of stocks. In fact, it is rather the exception to find one displaying firmness. Practically all along the line there are slightly lower prices being quoted than a week ago. In many cases the present prices indicate a return on the investment which would have been considered abnormal only a few months ago. That these "investment" stocks will eventually return to higher levels there can be no doubt, but the attitude of the investor would seem to indicate that he is waiting for the absolute bottom to be reached before coming into the market. He will probably find, as is often the case, that the low point has been passed and the upturn nicely started before he realizes it.

BELL TELEPHONE.

An indication of the weak position of the market may be advanced in Bell Telephone at 131. This stock has sold as high as 148 this year. It is usually one of the steadiest on the market and its weakness seems to require more explanation than the readjustment of security values attendant upon war financing.

CANADA CEMENT.

On the payment of a 1½ per cent. dividend, Canada Cement readjusted itself by that figure on the market at the end of last week. Later another point was lost, but since the greater part of this has been recovered. There has been a fair volume of trading, considering the condition of the market and the slight easiness indicated by the net change may be regarded as a reflection of the general condition of the market. The preferred eased off slightly during the week, but recovered to 91½.

The prosperity which Canada Cement Company has developed under war conditions is emphasized by J. M. Robinson & Sons, Montreal, in their market letter. Attention is called to the fact that during the five years prior to the war the cement business of Canada almost trebled by steady annual increases. Notwithstanding the fact that public works, building operations and construction generally has since fallen flat the earnings of the company continue to increase with the plants operating only about 65 per cent. of capacity. There is every reason to believe that the development of this industry will continue as reinforced concrete is becoming the acknowledged standard of modern building structures, and there is a steadily increasing demand for cement in every department of construction in the city and on the farm. The company's plants are well situated and with their capacity of 12,000,000 barrels per annum and large reserves of raw material the concern is in a strong position to now supply the country's general developments. From a study of the financial statement it would appear that the company has worked itself into a strong financial position with substantial working capital and the firm referred to says that it should have no difficulty in maintaining the present 6 per cent. dividend on the common stock.

CITY DAIRY.

With the first of the month the City Dairy Company put an increase into effect to correspond with the increased cost of milk under the temporary arrangement which has been made with the Producers' Association pending a report on the situation by the Food Controller. General Manager Northgrave informs THE FINANCIAL POST that as yet there has not been sufficient time to judge of what effect the advance may have on the volume of business. However, he does not anticipate that profits will be materially affected. The company is protected as to the margin of profit, but there may be some decline in consumption.

The report of the committee appointed to investigate the situation on behalf of Mr. Hanna will be awaited with considerable interest by the company officials and by shareholders. Not only is there the question of the price to be paid for milk, but the committee may also rule on the question of the use of milk and cream for the manufacture of ice cream. Late reports indicate that the report may be deferred for some time, the committee having adjourned for an indefinite period.

There were a few sales of the company's common stock last week, but there has been no interest displayed this week. Quotations continue 30 bid for the common and 60 for the preferred.

CANADA BREAD.

The publication of the interim report on the Canadian milling industry by Commissioner O'Connor, dealing with the cost of bread in Canada, holds some interest for investors interested in bakeries. In six principal cities Ottawa has the lowest price, while Toronto is second, and New Westminster highest. The reason for the rising price of bread is obvious, says Mr. O'Connor, the cost of flour to bakers being higher in the month of August than in July, despite the fall in the wheat and flour markets. The flour being made into bread had been purchased on contract the previous fall. The supplies of this contract flour were said to be almost exhausted at the time of the preparation of the report. Toronto, Ottawa, London and Vancouver purchased flour for current use at the current price in August. With the fixed price of wheat there should come a fairly uniform price for flour, which calculations show to be about $11.40 in Ontario and Quebec for first patents.

Cost of distribution is referred to as an important factor in relation to the price of bread. In Montreal and Vancouver this cost is much above the average. In Toronto it is $3,000 per year compared with $5,000 per year in Montreal.

There have been no transactions in Canada Bread for the past couple of weeks, although the quotations of 15 asked for the common and 14 bid might be taken to indicate a slightly easier tendency. The preferred has been inactive for a couple of months. There is no indication that price-fixing of flour will materially change the company's position as regards profits.

DOMINION CANNERS.

"The Dominion Canners claim that they could not operate the cannery in Forest in 1916 because the building was filled to the roof with canned goods put up the previous year," says The Forest *Free Press*. "The claim that there was no demand for these goods is not borne out by the facts. During the two years ending March 31st, 1917, Canadian consumers imported, mostly from the States, over twenty-one million pounds of canned beans, corn, peas, tomatoes, etc., on which they paid over $312,000 in duty. The hoarding up of food for exorbitant prices has been the main cause of the food scarcity which threatens the Empire to-day. And yet the Dominion Canners have the temerity to ask the people of Forest to pay their taxes for them."

The stock again passed another quiet week on the market without sales being recorded. For the common 22 is asked and for the preferred 74.

FAIRBANKS-MORSE.

Shareholders of the Canadian Fairbanks-Morse Company, who recently heard that the company had ceased to manufacture shells in its Toronto factory, feared that this might result in a reduction of the profits of the company this year by comparison with profits of a year ago. The resumption of operations on shells in consequence of the placing of the new order, altered the situation in this respect. As to the regular business of the company, this is understood to be well ahead of a year ago.

GENERAL ELECTRIC.

Canadian General Electric common maintained its position well throughout a dull week, and was in somewhat better demand. The price went as high as 10 which equals the best of last week's, and later prices were 103 to 103½.

INTERNATIONAL PETROLEUM.

There has been a marked renewal of strength in International Petroleum this week. The price moved up from $12.75 to $13.25, and then to $14.25. The latter figure is the highest point which has been reached since early in April.

MACKAY.

MacKay common at 76⅝ is regarded as another indication of the manner in which the market has recently settled to what seems to be close to a rock-bottom basis. This stock opened the year at 84 and at the present price gives a very attractive yield. The preferred is selling around 63, compared with a high of 68 this year.

RUSSELL MOTORS.

The action of Russell Motor shares on the stock market since it became known that the company had been awarded a contract for 6-inch shells and was turning over its plant to handle the new order, bears out the prediction of The Financial Post that further munition orders would likely mean a postponement of dividend action. The street seems to have taken it for granted that the accumulation of profits, which might otherwise have been disbursed to preferred shareholders, will now be employed in financing the new business. Preferred shares, which sold as high as 112 in August, in anticipation of early and favorable dividend action, came out on Monday as low as par, while yesterday the bid was 101. Common shares, which sold at 80 in August and 70 in September, were back at 62 this week, with 61 bid on the exchange yesterday. While the hope of an immediate return on the stock has thus been postponed, the ultimate advantage to Russell shareholders has been considerably augmented, so that no apprehension need be felt over the recent reaction.

WALLACE SANDSTONE QUARRIES.

The slackness in building operations has compelled a financial reorganization of Wallace Sandstone Quarries, Limited. The Quebec Savings and Trust Company, as trustee, sent out a notice on Wednesday calling a meeting of the bondholders of the company for Nov. 12 in Montreal. This will consider a proposal that the bondholders "release the mortgaged premises from the hypothecated mortgage and pledge with which they are charged as security for the said bonds," and consent "to the exchange or conversion of the bonds of the company together with the coupons thereon maturing on June 1, and Dec. 1, 1917, into 7 per cent. cumulative preferred stock of the company; the bondholders to receive an amount equal to the par value of their bonds."

These bonds were issued in 1913, amounting to $800,000, and are first mortgage sinking fund 6 per cent., 30-year bonds, due Dec. 1, 1942. Besides these there is authorized and outstanding $1,000,000 of common stock. The company was incorporated in April, 1913, and acquired sandstone quarries of 380 acres at Wallace, N.S., and the limestone quarry, 170 acres, of the North West Quarries, Limited, 30 miles East of Winnipeg, at Tyndall. The payment of interest for the half year on the bonds, that was due on the first of June, was defaulted. The officers of the company are Wm. Lyall, President, and J. B. Caine, Secretary. It is regarded as likely that the proposition will be ratified as the bonds are held largely on the inside.

REVIEW OF MARKET FOR MINING SHARES

Name.	Capital Authorized	Capital Issued	Week ending Oct. 4			Close Oct. 4	
			High	Low	Sales	Asked	Bid
COBALT STOCKS—							
Adanac	$ 2,500,000	$2,250,000	.18¼	.15½	21,150	.16	.15½
Bailey	5,000,000	4,250,000	.05¾	.05¾	4,000	.06	.04
Beaver Cons.	2,000,000	2,000,000	.39	.38¼	14,950	.38	.37
Buffalo Mines	1,000,000	1,000,000	...	...	....	...	...
Cham.-Ferland	2,500,000	2,312,850	.13	.12	9,000	.12¼	.12
Coniagas	4,000,000	4,000,000	4.00	3.90	500	3.95	...
Crown Reserve	2,000,000	1,999,957	.26	.25	1,300	.26	.24½
Foster	1,000,000	915,588	...	...	....	...	...
Gifford	250,000	....	.05	.04⅛	9,600	.05	.04¾
Great Northern	1,500,000	1,500,000	.06½	.06¼	10,250	.06½	...
Hargraves	2,500,000	2,500,000	.13¾	.09½	25,600	.10½	.10
Hudson Bay	25,000	7,761	35.00	...	16	...	.33
Kerr Lake	3,000,000	3,000,000	5.50	...	135	5.80	5.40
La Rose	7,500,000	7,493,135	.48	.45	2,855	.46	.44
McKin.-Dar.-Sav.	2,000,000	2,247,692	.56	.55½	17,300	.56	.55
Nipissing	6,000,000	6,000,000	9.50	8.35	735	8.25	8.00
Ophir	685,000	....	.12¾	.11	39,300	.11¼	.10½
Peterson Lake	3,000,000	2,401,820	.11⅛	.10¾	3,300	.10¾	.10½
Right of Way	2,000,000	1,685,500	.05¼	...	500	.05½	.05
Seneca-Superior	500,000	478,884	...	...	....	...	...
Temiskaming	2,500,000	2,500,000	.35⅝	.34	43,425	.34½	.34
Trethewey	2,000,000	1,000,000	.15	.14	600	.14½	.14¼
Wettlaufer	1,500,000	1,416,590	...	...	....	...	...
PORCUPINE STOCKS—							
Apex	2,000,000	1,300,000	.08¾	.08	23,100	.08	.07¾
Dome Cons.	2,500,000	1,250,000	...	...	....	...	...
Dome Extension.	3,000,000	2,200,000	.13½	.11	45,500	.12	.11¾
Dome Lake	2,000,000	1,227,017	.16	.15½	4,300	...	.15½
Dome Mines	5,000,000	4,000,000	8.95	8.00	6,295	8.10	8.00
Foley-O'Brien	3,000,000	2,500,000	...	...	....	...	...
Hollinger	3,000,000	3,000,000	5.25	5.15	605	5.35	5.15
Jupiter	2,000,000	1,867,786	...	...	....	...	...
McIntyre	3,000,000	2,999,995	1.42	1.40	35,300	1.41	1.40
McIntyre Extension	2,500,000	2,000,000	...	...	....	...	...
Porcupine Crown..	2,000,000	2,000,000	.42	.40½	3,500	.41	.40
Porcupine Imperial	2,000,000	1,409,200	.02¼	...	2,000	.02½	.02¼
Vipond	1,500,000	900,000	.26¼	.25½	3,850	...	.25
Preston E. Dome.	3,000,000	2,000,000	.04¼	.04⅛	2,500	.04½	.04
Schumacher	2,000,000	....	.58	.55	1,150	.58	.54
Teck-Hughes	2,000,000	2,000,000	.45	...	800	.44	.43
West Dome Con...	3,000,000	2,000,100	.17¼	.16½	19,000	.16¼	.16
MISCELLANEOUS—							
Con. Min. & Smelt.	10,000,000	[illegible]	.27	.25¾	752	.26	.25½

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Can. General	103	103
Winnipeg Elec.	48	48
Steamships	40¼	40
Do., pref.	79	79
Barcelona	10	10
Russell	61	61
Do., pref.	101	100
Dom. Steel	58¼	58
War Loan (1937)	94⅝	94⅝
War Loan (1931)	95⅞	95¾
Smelters	25¾	25¾
Brazilian	39	39

JAPAN'S EXPORT TRADE.

Efforts to Establish War Business on Permanent Basis.

The Japanese Government, says the *Japan Chronicle* in a recent issue, is shortly to put in practice a system of inspecting and standardizing the quality of the principal exports from the country. The matter is engaging the attention of the trade guilds and other similar bodies all over the country, and their representatives have been holding meetings at the rooms of the Department of Agriculture and Commerce. The Minister of Agriculture and Commerce, addressing these delegates, said:—

"No complaint is made abroad about the quality of habutae, or raw silk, in which the manufacturing and trading system is perfect and efficient. The outcry is raised only in regard to those goods which are comprehensively known as general cargo. One of the reasons is to be found in defects in the industrial system. It is, therefore, necessary to perfect this mechanism by giving more financial assistance to the intermediate and lesser manufacturers. As to the prevention of the production of inferior goods, an improved institution should be founded on the basis of the existing trade guilds, making all the exports concerned subject to examination according to a certain universal standard."

From a statement made by the director of industrial and commercial affairs to the Department of Agriculture and Commerce it is learned that the authorities have come to the conclusion that if the great development achieved by Japan's foreign trade since the outbreak of the war is to be permanently preserved, it is of urgent necessity to take steps to prevent the production of inferior goods. The authorities think the best policy would be for the merchants and manufacturers interested to arouse themselves to the evils of the prictice; and enforce the suggested measure by themselves without depending upon the Government to look after their own interests. As a result, the Government has decided that the trade guilds shall organize an association among themselves to assume the responsibility of enforcing the proposed inspection of exports. This inspection will be made under regulations to be framed by the Government and the association. These regulations will be the same all over the country, and the inspectors will be recommended by the trade guilds or the association, but the right of appointing or dismissing them will be reserved to the Minister of Agriculture and Commerce or to the local governor.

Under this system all exports except those already provided for will be made subject to certain standardized qualifications. The Government has decided to make a yearly grant of £5,000 toward the funds for working the system. First of all, it will be applied to hosiery, glass and glassware, enamelled hardware, matches, and braid, and later extended to shell buttons, soap, flannelette, brushes, and cotton crepe.

THE FORESIGHT OF HILL.

How the Railroad King Looked Ahead in Buying the Burlington.

The declaration of a 10% "extra" dividend by the Burlington makes of timely interest a bit of the history of the acquisition of that former New England owned property by the Hill interests and the price paid.

Some of James J. Hill's friends were once joking him about the high price he had paid for the Burlington stock, and he to their evident surprise declared that he had "stolen the road." He had paid what seemed to many a very high price, but Hill was a man of vision and he detected the possibilities of the Burlington and its advantages to the Great Northern and Northern Pacific. It was cheap at almost any price.

He paid $200 a share for Burlington for all he could buy. The amount of Burlington stock was $110,000,000, of which over $107,000,000 was acquired. Negotiations for purchase of this stock began early in the year 1901 and culminated about July 1, 1901. The highest it had previously sold was $150 a share.

Payment for the stock was made in 20-year collateral trust 4% bonds, $200 par bonds being given for each share of stock. The Burlington divident was finally increased to 8% in 1907, this rate being just sufficient to meet the interest on the bonds.

The reason that the Great Northern and Northern Pacific desired the Burlington was because of the fact that those systems terminated at the head of Lake Superior and at the Missippi River and had no connection, except through other railroads with the great country to the south of their systems. Both Great Northern and Northern Pacific were moving large quantities of traffic that originated in the western states destined to the South and Southeast beyond their terminals and also traffic that originated in that same region and went west.

The stock of the Burlington was in the hands of large number of stockholders in New England and New York, a few in Illinois and some other western states.

With the exception of 1907, when a 6% extra dividend was declared and the regular rate increased to 2% quarterly, there have been no "plums" from Burlington since acquisition by the Hill interests, until the recent 10 per cent. extra. Meanwhile it has gone on building up surplus.

Total net tonnage of vessels arriving and departing from London, exclusive of ships in Government service, was 24,976,437 tons in 1916, against 30,980,531 the year before.

UNLISTED SECURITIES.

	Bid	Asked
Abitibi Power, com.	47.00	52.00
Do., pref.	85.00	90.00
Arena, bonds	.....	90.00
Atlantic Sugar, pref.	28.00	32.50
Belding-Paul, pref.	79.00	83.50
Can. Cereal & Flour	.....	1.00
Can. Machinery, 6's	74.00	77.50
Cockshutt Plow, pref.	71.00	75.00
Dom. Linseed Oil	70.00	.....
Dom. Permanent Loan	67.00	71.00
Dom. Power, com.	.....	60.00
Do., pref.	95.00	97.50
Dunlop Tire, pref.	90.00	96.00
Ford Motor	200.00	220.00
Great West Perm. Loan	.....	70.00
Home Bank	64.00	66.00
Imperial Oil	375.00	395.00
Lambton Golf Club	325.00	375.00
Massey-Harris	122.00	132.00
McDonald, pref.	85.00	.....
Do., com.	15.00	16.00
North Crown Bank	60.00	.....
Ont. Pulp, bonds	79.50	83.50
People's Loan	80.00	90.00
P. L. Robertson Screw	35.00	.....
Sovereign Life	.....	20.00
Sterling Bank	87.00	91.00
Stand. Reliance (par $50)	46.50	49.00
Trust & Guarantee	85.00	.....
Can. Mortgage	.....	90.00

SHAW GRENADES, LIMITED.

PUBLIC NOTICE is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 7th day of September, 1917, incorporating George Alexander Shaw, inventor, Ewen Mackenzie, contractor, Gerard Ruel and Reginald Herbert Montague Temple, barristers-at-law, and George Norman Limpricht, draughtsman, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz: (*a*) To purchase or otherwise acquire all or any patents or patented rights in or in respect of the patented device known as "Shaw's grenade" and all patents or patented rights in respect of improvements thereon; (*b*) To apply for, purchase or otherwise acquire any other inventions, patents, discoveries, processes, licenses, trademarks, concessions, or the like, conferring any exclusive or non-exclusive or limited or unlimited interests, or rights to use, or any secret or other information, as to any invention, discovery or process respecting improvements in hand grenades, bombs, munitions of war of any and every description, or any other invention, discovery or process capable of being conveniently handled, used, manufactured, or developed in conncetion therewith; (*c*) To use, exercise, develop, improve, and to grant licenses in respect of, or otherwise to dispose of or deal in the whole or any part of such inventions, discoveries, patents, processes, property, rights, licenses or information so acquired; (*d*) To manufacture, assemble and instal, and to purchase or otherwise acquire, dispose of, and deal in any articles, materials, or things covered by or included in any such inventions, discoveries, patents, processes, property, rights, licenses or information, or any improvements thereon or developments thereof, and any machinery, plant, equipment, appliances, materials or things, used or capable of being used in connection therewith, or in connection with any tests or demonstrations thereof or experiments or researches incidental thereto; (*e*) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (*f*) To acquire or undertake the whole or any part of the business property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (*g*) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee or otherwise deal with the same; (*h*) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (*i*) To issue in payment or part payment of any property, rights or privileges acquired by the company, or for any guarantees of the company's contracts or securities, or for services rendered, shares in the company's capital stock, whether subscribed for or not, as fully paid-up and non-assessable or the company's securities; (*j*) To distribute among the shareholders of the company in kind any property of the company, and in particular any shares, bonds, debentures or other securities belonging to the company or which the company may have power to dispose of; (*k*) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (*l*) To do all such other things as are incidental or conducive to the attainment of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Shaw Grenades, Limited," with a capital stock of one hundred thousand dollars, divided into 1,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 11th day of September, 1917.

THOMAS MULVEY,
Under-Secretary of State

Investments by Experts

to yield 5%

The care and consideration given by the Company as an expert in the selection of security forms in itself a guarantee of safety for moneys invested with it on its Guaranteed Trust Investment plan.

The report on the security offered is made by experts in property values, who are salaried officers of the Company, not paid by commission. From their reports the Executive decides the amount to be loaned—seldom more than 50 per cent. of a conservative valuation. The investment of its client's money, thus made by the Company, is then further safeguarded by the Company's direct guarantee of both principal and income, the latter at the rate of 5 per cent. *per annum*.

These measures constitute an investment incomparably more secure than can be obtained by the ordinary investor who wishes to loan money on mortgage. Booklet, "Guaranteed Trust Investments," on request.

National Trust Company
Limited
Capital Paid-up, $1,500,000
Reserve, $1,500,000
18-22 King Street East, Toronto.

FINANCIAL STATISTICS

Township of Tisdale

South Porcupine, Ont.

Total Debenture Debt.................$77,000 ($7,500 will be paid off this year)
Assessed Valuation in 1916 .... $1,523,974.00
Assessed Valuation in 1917 .... $1,823,680.00
Increase $299,606.00
Population in 1917, approximately 4,000.

	1916	1917
Rateable Property in School Section No. 1 liable for Public School taxes	$907,954.00	$996,420.00
Rateable Property in School Section No. 2 liable for Public School taxes	598,670.00	795,320.00
Rateable Property in School Section No. 2 liable for Separate School Taxes	17,350.00	31,940.00

1917 Tax Rate in School Section No. 1..................33 mills
1917 Tax Rate in School Section No. 2 (Public School supporters)......29.1 mills
1917 Tax Rate in School Section No. 2 (Separate School supporters)..38.3 mills
Revenue per Tax Roll $68,268.69
Statute Labor Commutation 6,743.00
Revenue per Mine Tax 15,564.50

Total 1917 Revenue, $90,576.19, which is estimated to produce about $70,000 within the next few months.

DEBENTURES FOR SALE

SEALED Tenders will be received by the undersigned up to 12 o'clock noon on Saturday, the thirteenth day of October, 1917, for the purchase of Guaranteed Public School Debentures of the Corporation of the Township of Tisdale, as follows:—

Lot No. 1:
$23,000.00 for School Section No. 1, dated October 15th, 1917, providing for repayment of principal and interest at the rate of six per cent., in fifteen equal annual payments of $2,368.15, and guaranteed by the Province of Ontario.

Lot No. 2:
$10,000.00 for School Section No. 2, dated October 15th, 1917, providing for repayment of principal and interest at the rate of six per cent. in fifteen equal annual payments of $1,029.63, and guaranteed by the Province of Ontario.

These debentures have been registered and validated by the Ontario Railway and Municipal Board, and will be ready for delivery about the end of October, 1917. The principal and interest are payable at par in South Porcupine, Toronto, or New York, in holder's option. The lots may be tendered for separately or en bloc. The highest or any tender not necessarily accepted.

W. H. WILSON,
Treasurer, Tp. of Tisdale

CANADIAN HESSION TILLERS AND TRACTORS, LIMITED

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 16th day of August, 1917, incorporating Henry David Petrie, barrister-at-law, Thomas Crompton, estate dealer, Alexander McKenzie Snyder, broker, Adam Henry Hope, accountant, and Frederick Charles Petrie, salesman, all of the City of Hamilton, in the Province of Ontario, for the following purposes, viz.:—(a) To manufacture, prepare for market and market tillers, tractors and farming implements; (b) To erect, construct, build, lease, purchase or otherwise acquire, hold, own, use, equip, operate, or in any manner turn to account, or dispose of buildings of any and every kind, stores, store-houses, warehouses, offices, agencies, factories, plants, machinery, tools, equipment of any kind, with its appurtenances and appliances and therein or thereout, to manufacture, produce, obtain, assemble, use, own, develop, demonstrate, display, deal and trade in, barter, exchange, vend, sell, or in any manner turn to account or dispose of tillers, tractors and farming implements that may be used in connection therewith, or any parts appertaining thereto, or any supplies used in connection therewith, or any tools or fixtures essential therefor, or any other articles or things required to manufacture and prepare for market and to market. To acquire any invention, patents, patent rights or licenses to manufacture, thereunder, by way of purchase, royalty or otherwise; (c) To purchase from Daniel F. Hession and Israel Lewis Currier or either of them a license or a right to manufacture and deal in tillers or tractors now designed, or which may be hereafter designed by Daniel F. Hession; (d) To pay for any property, rights and things required by the company or for services rendered to the company in cash, fully paid shares of the capital stock of the company or its bonds and debentures; (e) To amalgamate with any other company having objects similar to those of the company; (f) To invest the moneys not immediately required in such securities and in such manner as may from time to time be determined; (g) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company, having objects altogether or in part, similar to those of the company; (h) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (i) To do all or any of the above things as contractors or otherwise and either alone or in conjunction with others; (j) To purchase, lease or acquire and develop water or other power and to use the same and to lease, sell or otherwise dispose of any surplus thereof; (k) To purchase or otherwise acquire on such terms and in such manner as the directors of the company from time to time decide, any shares of the capital stock of this company, provided that consideration therefor be paid out of the company's profits or surplus, if any, and not out of the capital of the company; (l) To pay out of the funds of the company, all costs and expenses of and incidental to the incorporation, advertising, promotion and organization of the company; (m) And to do all such other things as may be deemed useful, necessary or desirable in the attainment of any of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Canadian Hession Tillers and Tractors, Limited," with a capital stock of five million dollars, divided into 500,000 shares of ten dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada this 18th day of August, 1917.

THOMAS MULVEY,
Under-Secretary of State.

H. D. Petrie, Barrister at Hamilton, Ont.,
Solicitor for Incorporators.

Northern Crown Bank

HEAD OFFICE, WINNIPEG

Capital (authorized) - $6,000,000
Capital (paid up) - - $1,431,200
Rest and Undivided Profits $848,554

DIRECTORS.

President, Capt. Wm. Robinson.
Vice-President, Jas. H. Ashdown.
W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G.
E. F. Hutchings, John Stovel.

General Manager - Robert Campbell

Bills of Exchange, Drafts and Orders on all Countries bought and sold.

Collections made in all parts of Canada and in Foreign Countries.

Branches distributed throughout all Canada.

V. F. CRONYN
Manager - - - - Toronto Branch

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Oct. 5, in stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active. (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings % 1916	Dividends 1913	Dividends 1914	Dividends 1915	Dividends 1916	Last Dividend Date 1917	Last Dividend Rate	Yield to Sept. 27	BANKS	Range 1914 High	Range 1914 Low	Range 1915 High	Range 1915 Low	Range 1916 High	Range 1916 Low	Range 1917 to Sept. 27 High	Date	Low	Date	Close Sept. 21 1916 Ask	Close Sept. 21 1916 Bid	Close Oct. 5 Ask	Close Oct. 5 Bid	Week ending Oct. 4 High	Low	Last	Sales
4,866,666	3,017,333	332,955	11 24	8	8	7	7	8th Apr.	s. 3	5.35	British North America	150	145	145	145	112	110	112	Jan. 29	112	Jan. 29								
15,000,000	13,000,000	802,319	16 26	10+2	10+2	10+2	10+2	1st Sept.	q. 2½	5.43	Commerce	218	199½	205	203	203	183	188	Feb. 27	183	Apr. 5	186			184	185	185	185	6
6,000,000	7,000,000	363,442	15 78	12+2	12+2	12	12	2nd Oct.	q. 3	5.85	Dominion	233	218	229½	227	220	204	212½	Jan. 9	203	June 28	216		205		205	205	206	32
3,000,000	3,300,000	209,556	14 73	12	12	12	12	1st Sept.	q. 3	6.34	Hamilton	207	198	208	201	197	246¾	192	Mar. 17	189	May 23		190						
4,000,000	3,700,000	42,711	13 65	9	9	9	9	1st Sept.	q. 2¼	6.33	Hochelaga	155	149	150	149	149	145	145	Jan. 9	141½	Sept. 18	147½							
7,000,000	7,000,000	1,089,656	14 73	12	12	12	12	1st Aug.	q. 3	6.18	Imperial	218	210	214	210	203	180	200½	Jan. 11	190	June 14		202½	194		194	191	194	16
1,946,373	300,000	42,791	8 44	6¾	7	7	5	1st Sept.	q. 1¼	4.42	Home Bank	116	110																
7,000,000	7,000,000	421,293	16 00	10	10	10	10	1st Aug.	q. 2½	5.91	Merchants	193	177	180	180	180	150	170	Jan. 3	167	July 25			169		170	168	170	77
4,000 000	4,800,000	127,649	13 20	11	11	11	11	15th July	q. 2¾	6.01	Molsons	206	194	202	200	195	182	186	May 19	179½	Jan 24			182	178	180	180	184	20
16,000 000	16,000,000	1,414,424	13 75	10+2	10+2	10+2	10+2	1st Sept.	q. 2½	4.69	Montreal	250	227½	240	234	240½	219	234	Jan. 11	213	Sept. 24			213		214	213	213	20
2,000,000	2 000,000	59,966	20 88	8	8	8	8	1st Aug.	q. 2	5.36	Nationale	133¼	131	132¾	132¾	134	134	149	July 31						148½	148½	148½	148½	5
6,500,000	12,000,000	584,654	19 26	14	14	14	14	3rd July	q. 3½	5.60	Nova Scotia	265	257	265	261	261	254	257½	Mar. 9	250	Sept. 21		254	250		250	250	250	1
4,000,000	4,750,000	118,179	14 77	12	12	12	12	18th Sept.	q. 3	6,00	Ottawa	208	201	207	207	204	202	202	Mar. 8	200	Feb. 23	204							
12,000,000	12,560,000	852,346	17 59	12	12	12	12	1st Sept.	q. 3	5.71	Royal	228	218	223	221¼	221¼	210	214	Feb. 13	208½	Sept. 21	212½	210	210	208	210½	210	210	33
3,333,242	4 333,242	153,543	17 40	13	13	13	13	1st Aug.	q. 3¼	6.34	Standard	223½	208½	220	215	221	211¼	215	Jan. 2	203	July 25		220	204		204	204	204	5
1,212 173	300,000	60,829	13 32	6	6	6	6	15th Aug.	q. 1½	6.12	Sterling	98½	98																
5,000,000	6,000,000	507,989	14 60	11+1	11+1	11	11	1st Sept.	q. 2¾	5.78	Toronto	215	203	211	207	215½	190	213	Jan. 30	187½	Sept. 5	198							
5,000,000	3,400,000	93,160	13 02	8	8+1	8+1	8+1	1st Sept.	q. 2	5.79	Union	147½	137	140½	140	140	132	142	July 30	136	Mar. 29		135	138		138½	138	138	7

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Out-standing Common Stock	Out-standing Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1914	1915	1916																								
27,450 000	10,000,000									Barcelona, T. L. and P.	35⅛	15½	17⅜	7⅜	17	19	17	Jan. 4	10½	June 18	15¼	14¾	10¼	9¾	10⅛	10	10	81
106,289,100			4,367,832	6	4	4	1st Mar.	q. 1	9.09	Brazilian Traction L. and P.	92	53½	59¾	45	62⅝	43	47¾	Jan. 2	37	Apr. 20	58	57½	38⅛	38	40	38½	38½	1,919
	10,000,000			6	6	6	1st July	q. 1½		Brazilian Traction, Pref.																		
12,000,000		9,202,013	1,1951,936							Canada Steamships Lines, Com			20	6	45	16	45⅝	Aug. 22	29¾	Feb. 3	35½	35	40½	40	41⅛	40	40	399
	12,500,000			3½	6	3½	16th Aug.	q 1¾	8.86	" " " Pref			76½	59	95½	89¾	93¾	Jan. 29	76¼	June 12	89½	89	79	78	79	78½	78¾	405
260,000,000	80,681,921	234,684,062	221,819,770	7+3	10	10	1st July	q. 2½	5.57	Canadian Pacific Railway	219⅝	171½	195½	139¾	182½	163¾	167½	July 9	148	Sept. 24	179½	178½	147½	146	148½	148	148½	90
12,500,000		35,974,000	7,871,472	6	6	6¾	1st Sept.	q. 1¾	6.30	Detroit United	73¾	55	73	62	128½	69	128	Jan. 3	106½	July 9	116	115¼	111	110	110¾	109¾	110	296
3,500,000	1,500,000	3,410,000	753,332	4	2	p	1st July '15	s. 1	8 66	Duluth Superior Traction Co., Com	67	55	60	55	49	37	51⅛	Mar. 7	40	Aug. 24		45⅛	43½	42½	44	43	43	145
12,252,000		3 711,000	1,667,644	3	3	3				Illinois Traction, Com.							35	Sept. 20	35	Sept. 20								
	7,135,500			6	6	6	2nd Oct.	q. 1½	7.50	Illinois Traction, Preferred	95	95	93	91	91	87¾	89	Feb. 22	80	Sept. 26	90							
20,000,000		16,381 333					1st Nov.'13	q. 1¾		Mexico Tramways Co																		
25,206,800	12,603,400	77,525,200	19,894,836	7	7	7	15th Apr.	s. 3½	.73	Minn., St. P. and S.S.M., com	134¾	116½	126¾	116½														
3,343 600		32,608,000	1,378,975	10	10	10	1st Aug.	q. 2½	6.94	Montreal Tramways	230	190	220	220			181	Jan. 5	175	Feb. 19								
9,000,000	4,465,500	14,075,000	2,428,908	5	5	5	15th June	q. 1¼	6.84	Northern Ohio Traction			73	73														
3,000,000		3,975,667	94,415				1st Oct. '14	p. 1	10 53	Porto Rico Railways Co., Com	71	45	51	45	49½	30	42	Jan. 27	35	Jan. 3		48						
	1,000,000			7	7	7	3rd Oct.	q 1¾	8.75	" " " " Pref	103½	101			30						96	90						
9,999,500		10,797,000	562,902				15th Jan.'12	q. 1 p	8.00	Quebec Railway L., Heat & P. Co.	16¾	10	20½	9⅛	45	14	35½	Jan. 2	16	Sept. 5	36		17½	16	17¾	16	16	351
12,000,000		3,184,633	6,257,025	8	8	8	1st Oct.	q 2	12.12	Toronto Railway	144¾	110	117½	111	111	72	90⅛	Mar. 12	64⅛	Sept. 27	97½	96⅛	65	64	66	63⅛	65	992
22,000,000	3,000,000	20,263,000	8,272,009	6	6	6	1st Oct.	q 1½	7.40	Twin City, common	108½	99¾	101	93	101	93⅜	95	Jan. 3	80	Sept. 18	96	94	78	75½	80½	77	77	61
9,000,000		10,880,000	4,292,068	12	9½		1st Jan.'16	q. 2¼	16.00	Winnipeg Electric	210½	188	186½	180	110	90	81	Jan. 12	36	Aug. 10			52	46	48	45	48	45

TELEGRAPH, LIGHT AND POWER UTILITIES

18,000,000		11,149,000	1,647,955	8	8	8	15th July	q. 2	5.92	Bell Telephone	159¼	140¼	159	140	152	140	150	Feb. 5	135	Sept. 15	154	150	134		133	131	131	33
4,882,000							1st Oct,	q. 2½	6.75	Consumers Gas	180	169	185	176	176	160	165½	May 10	148	Sept. 26	169							
1,850,000		2,999,813	271,975							Calgary Power	59	53																
63,717,200			572,614			4	15th Aug.	q. 1	5.55	Civic Investment and Industrial							82⅞	Jan 27	72	Sept. 26			72	71¾	72	71	71¾	860
41,380,400			1,913,344	5	5	5	1st Oct.	q. 1¼	7.67	Mackay, common	88	65½	70¼	65	69¼	64½	90	Feb 17	77½	Sept. 20	86½	85¼	77	75½	77	76⅜	76⅜	28
	50,000,000			4	4	4	2nd Oct.	q. 1	6.25	" preferred	71	32½	46	46	15	15	68	Jan. 16	63⅛	Sept. 18	67	66½	63½	62½	63⅜	63	63	39
13,585,000		21,073,833	318,522	p	p	p	30th Dec.'13th	q. 1		Mexican Light and Power Co., com	49⅞																	
	6,000,000			p	p	p	1st Nov. '13	s. 3½	4.73	" " " pref																		
3,483,520		1,275,000	778,877	8	7½	6	1st Oct.	q. 1½	8 57	Ottawa, Light, Heat and Power Co.	172	124	123	120	95¼	92	92	Jan. 17	70	Sept. 17								
15,000,000		12 440 761	2 444 279	6	6½	7	10th July	q. 1¾	5.93	Shawinigan Water and Power Co.	142¾	111	139½	110	137	126¾	130½	Jan. 2	117⅛	Sept. 19	135¼	135	116	114	118	114	114	101

INDUSTRIALS AND MISCELLANEOUS

5,000,000	1,000,000	5,000,000	360,924			1¾	2nd Oct.	q. 1¾	11.86	Abitibi Pr. and Paper							58⅛	July 31	55	Sept. 28			52		50	50	50	35
6,514,000	7,895,200		525,403	3		6		s. 3		American Cyanamid							20	July 18	19	July 13								
3,5[illegible],000		914,000	9,038							Ames Holden McCready Co., com	16	6	23	7⅞	35	19½	23¾	Jan. 3	14	Aug. 9	23	21						
	2,500,000			3½			1st July '14	q. 1¾	14.00	" " pref	70¼	54	75	55	80½	52	61	Jan. 9	48	Mar. 1	61							
4,215 400					3½	4	21st May	s. 4	8.75	British Col. Packers, com													46⅛		47	44½	44½	318
7 000,000	2,000,000	1,655,000	283,768				7th May	1+¼		Brompton Pulp and Paper, com																		
750,000			482,517	5	4	6	2nd July	q. 1½	9.23	F. N. Burt Company, com	88	67	72½	70	88	72	85	Feb. 23	65	Sept. 26	79	75						
	1,975,200			7	7	7	2nd July	q. 1¾	7.95	" " " pref	100	89	75	89	96	86	93½	Mar. 5	88	Aug. 31		93⅜						
2,500,000		1,226,111	105,993							Canada Bread, com	33	18½	31⅛	29	30	16½	17	Feb. 6	15	May 19	20							
	1,250,000			7	7	7	2nd July	q. 1¾	8.23	" " pref	92	89½	90¼	90	90	87	86½	Jan. 5	85	Mar. 5	85¾	84¾						
13,500,000		7,257,613	2,852,818		3	4½	16th July	q. 1¼	9.83	Canada Cement, com	32	28	48½	28	73	37¾	69⅞	Jan. 4	56	Feb. 1	63⅛	62⅛	59¼	58¾	59⅞	58⅛	55⅞	670
	10,500,000			7	7	7	16th Aug.	q. 1¾	7.69	" " pref	93	98½	98½	89¾	9	86	95¾	Jan. 6	90	Feb. 3	95	93⅛	91½	90⅛	91½	90⅛	91⅛	60
4,186,700		5,539,602	1,927,054	2			2nd June '14	s. 2	13 33	Canadian Car and Foundry, com	70	48	120	50	75	32	46½	Jan. 4	25	Sept. 27	47	46	26	24¾	25	25	25	55
	7,500,000			5½			1st July '14	q. 1¾	12.06	" " " pref	109½	98	127	98	94	1¾	89	Jan. 3	58	Sept. 27	75½	74	57		55	54	54	220
1,733,500		399,000	440,377	4	2		15th Aug.	q. 1	5.00	Canadian Converters	40	34	34	34	46	34	43	July 11	39	Feb. 21		30						
2,715,500		4,750,000	1,663,571			2	4th Oct.	q. 1	7.84	Canadian Cottons, Limited com.	39	24	40	24	65	39	56	Jan. 3	46½	Sept. 14	51¼	50⅛		48⅛	48½	48½	48½	3
	3 661,500			6	6	6	4th Oct.	q. 1½	7.89	Canadian Cottons, Limited, pref	79	70½	77	71	82½	75¼	82	Jan. 1	75	Sept. 6	82	81						
1,600 000	1,500,000		1,334,466	6	6	6	15th July	s. 3		Canadian Fairbanks-Morse, pref.	92	92	95	95														
960,000		128,600	753,608		10	10+9	15th Aug.	q. 3	7.27	Canadian Foundries & Forgings, co					217	170	205	Jan. 4	150	Mar. 28								
	960,000				7+3½	7	15th Aug.	q. 1¾		" " " pref					90	85	94	May 28										
2,000,000		1,545,000	749,322							Canadian Locomotive Co., com	45	30	64½	30	64½	51	64	Apr. 12	52½	Feb. 3	56	50	58		58	58	58	60
	1,500,000			7	7	7	1st July	q. 1¾	8.23	" " " pref	°90½	85	90	78	99	81	91½	Apr. 11	83½	Sept. 26				85	85	83	83	43
2,805,500		5,096,500	4,154,124	3			15th Oct. '14		4.44	Can. Consolidated Rubber, com	91	91	91	91	91	84	99¾	Sept. 19	90	Mar. 22				95	95	95	95	1
	3,000,000			7	7	7	1st July	q. 1¾	7.25	" " pref.	°97	96½	101	100	97	91	97	July 3	95	Mar. 22	97							
8,000,000			4,112,696	7	7	8	1st Oct.	q. 2	7.76	Canadian General Electric, com	114⅞	90¼	128	90¼	121	108	115½	Jan. 24	100¼	July 6	118	117½	104	103	104	103	103	363
	2,000,000			7	7	7	1st Apr.	s. 3½	6 66	" " " pref.			110½	110	112	110	106	Feb. 1	94½	Jan. 31								
1,200,000		488,500	315,978							Carriage Factories, Limited, com.			53½	35½	44	29¾	25	Jan. 13	9½	June 18								
	1,200,000				3½		15th July '15	q. 1¾	10.00	" " " pref			81	75	75	60												
565,000		65,981	55,527	8	8	8	3rd July	q. 2	7.09	City Dairy, com	102	98	100	98	98	89	30	Mar. 30										
	700,000			7	7	7	3rd July	q. 1¾	11.66	" " pref.	101¾	98	102	98	100½	92	70	Apr 3	60	Aug. 15	99½	98						
6 500,000			1,623,274	7¼	5¾+3	8+12	15th Aug.	q. 2½	7.14	Dominion Bridge Co.	122½	107	230	107	231½	160	170	Jan. 4	125	June 23	214	212		138¾	139½	137½	138	398
791,500		1,838,000	608,415	1½			1st Apr. '14	q.		Dominion Canners, com	68⅝	27½	35	31	22	15	26	Mar. 6	19	Jan. 3	17							
	2,290,600			7	1¾		1st Apr. '15	q. 1¾	9.33	" " pref	96	80			65	61½	78	Feb. 7	65	Feb. 3	60							
37,097,700	7,000,000	22,167 366	8,946,516	p	p	1½ 16	1st Oct.	q. 1	6.66	Dominion Steel Corporation, com	41⅞	19⅞	51	19⅞	82	43	71¼	Jan 4	52¾	Feb. 3	58	57½	58	57½	60	58	58	3,160
	5,000,000	14,078,533		3½ p	p	7	1st Oct.	s. 3½	7.86	Dominion Iron and Steel, pref.	°94	68	96	71	105	90	95	Jan. 3	89	May 28				89	89	89	89	1
15,000,000	3,000,000	6 300,500		7	7	7	1st Aug.	s. 3½	1.06	Dominion Coal, pref	106	97½	101	98	99	93	96½	Jan. 22	85	July 6								
5,000,000		3,697,500	1,193,534	6	6	6	1st Oct.	q. 1½	7.40	Dominion Textile, com.	86⅜	60	77	64	90½	74½	89	May 25	76½	Feb. 3	83	82¼	82	80	81¼	80¼	81	215
	1,940,600			7	7	7	16th July	q. 1¾	6.90	" " pref.	106½	100	103	101	105	101	105	Apr. 26	99½	July 5		101						
2,250,500		1,100,000	238,033							Goodwins, Limited, com.	28	o23	28	26	40	40												
	1,750,000			5¼			2nd July '14	q. 1¾		" " pref.	°82	74			75	40	45	Mar. 20										
747,500		261,000	886,226	6	6	6	1st Oct.	q. 1½	6.00	Goulds Manufacturing Co., com	97¾	97¼					100	Apr. 19						100	100	100	100	10
	747,500			7	7	7	1st Oct.	q. 1¾		" " " pref.														100	100	100	100	10
5,660,575	500,000		385,482							International Petroleum							15 30	Mar. 29	11 60	Feb. 2			14.00	13 75	14.25	13.25	14.25	100
40,000,000		8,294,000	4,540							Lake Superior Corporation	22⅝	6⅝	9⅞	9⅞														
2,100 000		900,000	889,135	8	8	8	1st Sept.	q. 2	6.45	Lake of Woods Milling Co., com	135	127	137	129	136¼	122	130	Jan. 2	124	Apr. 13	134	133¾						
	1,500,000			7	7	7	1st Sept.	q. 1¾	6 03	" " " pref	120	120	122	120	129	116	116	Jan. 31										
9,600,000		706,090	927,446	8	8	8	3rd July	q. 2½	6.06	Laurentide Co	192¾	160	198	160	217½	176	195	Jan. 5	165	Sept. 26	190½	189		164¾	164¾	164¾	164¾	5
1,750,000		1,086,900	204,102							Lyall Construction Co., com					93	25	80	Mar. 21	53	Sept. 5								
	1,300,000									" " " pref																		
3,000,000	1,766,800		273,020				30th June '13			A. Macdonald Co. com.	21¾	8	14	7	19½	10	15½	Mar. 12	8	Jan. 5	13	12½		15	15	15	15	140
2,500,000			1,402,332			9	17th July	q. 2½	9.25	Maple Leaf Milling, com	47⅞	25	68	30½	122	100	115	Mar. 21	90	Feb. 3	95	94	101	100	109	100	100	1,135
	2,500,000			7	7	7	17th July	q. 1¾	7.36	" " " pref.	101	98	98	88	108	93	103	Feb. 10	91¾	Aug. 23	94	94½	94	93	95⅞	94	95⅞	63
2,949,600		825,249	2.21 ,426	4	4	4	15th Sept.	q. 1	7.40	Montreal Cottons, Ltd., com.	58	56	56	51	63	50	58½	Jan. 4	49	June 11								
	3,000,000			7	7	7	15th Sept.	q. 1¾	7 03	" " " pref.	103	97¼	100½	99	115	99	103	Jan. 24	99	July 25	102¾		99½		99	99	99	4
1,275,000			292,298				1st Nov.'13	q. 1½	15.00	Monarch Knitting Co., com	40	25	27	25	40	25⅛	40	Jan. 2	35	Jan. 3	35	32	40	30	30	30	30	8
	750,000			7	7	7	1st Aug.	q. 1¾	8.75	" " pref	90	82	82	82	83	80	81	Jan. 10	80	Jan. 2	82	80						
2,000,000			527,504							National Steel Car, com							21	Jan. 4	5	Sept. 18								
	1,5 0,000					3½	15th July	q. 1¾		" " " pref																		
7,500,000		9,787,196	5 535,086	4½			14th July	s. 2½	5.49	Nova Scotia Steel, com	79	39	107	45¾	154½	93¾	128	Jan. 4	88½	May 9	128	127½	85½	84½	90⅛	85	85	545
	1,000,000			6	12	12	15th July	q. 2	7.61	" " " pref.	120	110	125	110	115	110	112	Jan. 4	105	June 25								
2,500,000		2,350,000	846,330	8	8	8+4	1st Oct.	q. 2¼	6.89	Ogilvie Flour, com.	123	107	144	107	152	127⅞	158	Sept. 19	137	Feb. 27	151	149	145	141	143	140	143	160
	2,000,000			7	7	7	1st Sept.	q. 1¾	6.25	" " pref.	117	105	120	113	116	44½	115	Jan. 19	110	Aug. 3								
750,000		600,000	123,076							Ont. Steel Products, com					45	19	34	Jan. 4	18	Mar. 16								
	750,000				3	5½	15th Aug.	q. 1¾	9.09	" " " pref					91⅛	73	74	Asr. 14										
650,000			65,174	2	2	2	1st July	s. 1	5.13	Pacific-Burt Co., com	32	°28	31	28	29	20	40	Mar. 20	28	Jan. 9	22							
	650,000			7	7	7	1st July	q. 1¾	8.75	" " pref	85	82½	85	80	83¼	77½	82	June 8	80	Jan. 3	79							
500,000			644,955	6+3	7+3	8+3	15th Mar.	s. 4+2½		Paton Manufacturing Co.																		
2,150,600		2,000,000	2,172,492	4	4	4+1	15th Aug.	q. 1	5.79	Penmans, Limited, com	55½	48	62	49	78	60	73½	Mar. 26	68½	Sept. 25		63	69		69	69	69	10
	1,075,000			6	6	6	1st Aug.	q. 1½	7.31	" " pref	84¼	79½	83	82	90	82	86	Apr. 10	81½	Jan. 3	86			82	82	82	82	42
5,000,000		6,185 726	3,055,551				16th Sept. '16	1½	5.00	Price Bros	60	70			132	60⅛	134	July 25	115	Mar. 30		83⅛						
4,500,000		1,881,500	1,338,870			3½+1	15th May	1½+1	8.54	Riordan Pulp and Paper, com					150	59	127	Jan. 3	106	Feb. 3	82	81⅝	115⅛	110	116½	115½	115½	125
	1,000,000			7	7	7	30th June	q. 1¾		" " " pref																		
1,500,000		600,000	526,148	8	6	6	1st July	q. 1½	9.28	William A. Rogers, Ltd., com	147	96	103	96	99	85	80	Feb. 15	65	Apr. 19	89½							
	900,000			7	7	7	1st July	q. 1¾	7.77	" " " pref.	106	99	99	99	99	87	92	Jan. 4	90	Feb. 14	82¾	89¼						
800,000			Def. 204,009				1st Feb.'13	q. 1¾	8.75	Russell Motor Car, com	20	5	50	10	114	32	92	Jan. 4	69	Sept. 20	64	61	70	55	62	60	60	35
	1,200,000						1st Aug.'13	q. 1¾	6.25	" " " pref	49	25	76	25	139	66	122	Apr. 3	100	Jan. 1	95	94	110½		100	100	100	100
1,500,000		617,900	161,611							Sawyer-Massey Co., com	30	25	33	25	30	20	24	Mar. 16	8	May 21	26	22						
	1,500,000			3½			2nd June '14	q. 1¾	7.78	" " pref.	88	69	76	69	134½	58					72	56						
4,000,000		1,912,500	1,454,361							Sherwin-Williams, com	60¼	53	57½	55	99⅛	53⅛	59¾	Mar. 9	56	Feb. 5				59	59	59	59	110
	3,100,000			7	7	7	1st July	q. 1¾	7.07	" " pref	104	97	100	98¼	100	97½	100	Jan. 6	98	Jan. 11	99			98	98	98	98	10
8,750,000			486,357	6	6	6	1st July	q. 1½+1	4.58	Shredded Wheat, com.	90¾	.78	102	92	140⅛	102¼	137¾	Mar. 1	122	Sept. 5		132⅛						
	1,250,000			6	6	6	1st July	q. 1½	6 25	" " pref	°94	°92½	99	93	120	95	95	Feb. 19	95	Feb. 19		98¼						
1,718,600		512,500	989,649	1¼			1st June	q. 1¼	9.09	Smart-Woods, Ltd., com	20	18	15	20	65	33	55	Jan. 12	44	Aug. 6	41							
	1,546,500			3½	1¾	15¾	1st July	q. 1¾	8.75	" " pref			45	20	101	84	80	May 9			90							
1,062,500	475,000	178,320	32,850				1st July	q. 1¾		Smith Paper Mills H																		
8,000,000		5,332,113	385,219							Spanish River Pulp Mills, com	16¾	9	9⅝	3	24¼	3½	19	Jan. 4	12⅛	Aug. 8	12	11¾	16	14¼	15	14	15	120
	5,699,100						15th July'13	q. 1¾	14.00	" " " pref.	°51	31	35	35	70	29	59¼	Jan. 11	47	Aug. 15	38½	38						
11,500,000		9,522,300	7,763,602			4	1st Aug.	q. 1+½	10.90	Steel Co. of Canada, com	20	11	48	8½	88¼	34¼	71½	Jan. 4	51⅛	Sept. 17	64	63⅛	54½	53½	55¾	54¼	54¼	1,897
	6,496,300			3½	7	10½	1st Aug.	q. 1¾	7.95	" " " pref	87⅜	69	95	69	107¼	82½	100½	Jan. 2	87	Sept. 15		91¼	88	87	88	87	87¾	238
650,000			134,016							Tooke Bros., com	26	15	18	16	25	16												
	985,000			3½	1¾	8¾	1st Sept.	q. 1¾	9.72	" " pref	81	75			83	78	79	Jan. 4	70	Aug. 28								
750,000		500,000	341,590	1½		5	30th June	3+2	5.55	Toronto Paper Co	61	30	45	25	96	44	90	May 17	72	Jan. 16	65	60						
2,500,000			276,452							Tuckett Tobacco, com	47	29	29¼	29	25	23½	22½	Jan. 18	19	June 1	29	23						
	2,000,000			7	7	7	15th July	q 1¾	8.75	" " pref,	101	90¼	90	90	90	75	83½	Jan. 18	78	Apr. 30		87						
5,000,000		3,500,000	697,275							Wayagamack com	32⅜	21	26½	26			95	Jan. 11	50	Aug. 30								

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock out-standing	Bonds, Preferred Stock or Debentures Out-standing and Int.	Reserve and Contingent P. & L.	Dividends 1917	Last Dividend Date	Last Dividend Per cent.	LOAN AND TRUST	Range for Year 1915 High	Range for Year 1915 Low	Range for year 1916 High	Range for year 1916 Low	Latest Price Ask	Latest Price Bid	Last Sale
1,205,000	4,122,853	1,244,392	9	1st Oct.	q. 2¼	Canada Landed	162	157½	163	157½	154		159⅛
6,000 000	20,905 084	5,19[illegible],652	10	1st Oct.	q. 2½	Canada Permanent	188	183	163	168⅝		167½	169
1,750,000	4,095,238	1,807,053	10	1st Oct.	q. 2½	Central Canada	190	190			190		
2,453,595	624,548	411,463	6	2nd July	s. 3	Col. Investment, pref.	81	78	76	70	74		77
934,395	1,072,384	252,541	5	1st July	s. 2½	Dominion Savings	81	81	80	80		81	78
2,411,863	2,318,270	701,646	8	1st July	s. 4	Great West Per							89½
1,200,000	2,312,901	1,491,062	8	2nd July	s. 4	Hamilton Provident	140½	135	140	138		137	137
2 500,000	12,090,672	3,085,518	12	2nd Oct.	q. 3	Huron and Erie	211	209	214	209	210	208	209
1,000,000	1,937,231	781,348	8	2nd July	s. 4	Landed Banking	147	147	145	144		145	143
1,250,000	2,879,717	808,018	8	1st Oct.	q. 2	London and Can. Loan	136	131	135	132	128	127½	127½
884,283	1,830,660	369,893	6	1st Oct.	q. 1½	London Loan and Sav							
600,000	356,289	726,506	10	15th Sept.	q. 2½	Montreal L. & Mtg. Co.	176	165	175	160			165
1,500,000	7,371,097	1,596,314	10	2nd Oct.	q 2½	National Trust	233	233	210	210		210	207½
1,750,000	3,983 186	1,903,533	9	1st Oct.	q 2¼	Ont. Loan and Deb.	173	169	175	169		175	160
500 000	638 931	245,375	7	2nd July	s. 3½	Real Estate Loan							103
1,500,000	32,322,068	1,548,557	10	1st Oct.	q 2½	Toronto Gen. Trusts	210		210	205½	207		205
00724,550	1,910 506	595,010	8	1st Oct.	q. 2	Toronto Mortgage Co			140	134		136	136
1,000,000	1,841,631	1,036,147	10	1st Oct.	q. 2½	Toronto Savings							185
1,000,000	7,487,861	986,531	10	1st Oct.	q. 2½	Union Trust							178
10 000		6 674,019	10	1st Oct.	q. 2½	Canada Life Assurance							191

Common Stock Out-standing	Bonds, Preferred Stock or D'b'ntures Out-standing	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Last Dividend Per cent.	MISCELLANEOUS COMPANIES	Range for year 1915 High	Range for year 1915 Low	Range for Year 1916 High	Range for Year 1916 Low	Latest Price Ask	Latest Price Bid
1,500,000		1,885,740	10	1st Apr.	s. 5	Canadian N. Prairie Lands						
800,000	400,000	469,740	8	1st July	q. 2	Canadian Salt	115	110	140	124	133	128
59,109		1,005,792	$5	13th Mar.	5	Can North-West Land						
100,000		2,473,048	20	30th June	q. 5	Confederation Life A.			350	330	375	
6,212,666		445,933	6	30th Dec.'16	1½	Crows Nest Pass Coal	100	100	83	71		55
1,000,000		292,302	6	15th July	1½	Dominion Telegraph			90	86		
3,000,000	9,669,500					Electrical Dev., pref.						
450,000	b 3,968,449	2,111,299	10	1st July	q. 2½	Imperial Life Assur						
500,000	b 365,613	643,552	p	1st Mar.'12	s. 2	Intercolonial Coal						
	p 217,900		p	1st Mar.'12	s 3½	Intercolonial Coal, pref					80	
3,000,000		509,121	p	1st Mar. '14	1	Intern. Coal and Coke						
2,196,000	2,000,000	471,697	6⅔	15th Aug.	q. 1¾	Kaministiquia Power						
572,680	b 634,000	168,726	6	2nd July	s. 3	London Street						
2,000,000		119,184	8	15th July	q. 2	Montreal Telegraph	140	136	136	135		135
925,000	b1,123,000					Nia., St. Kath. and Tor.						
1 164,000	b 749,000	268,375	p	10th July'15	q. 1¼	Trinidad Electric	105	100				
2,124,700	b1 540,617	688,268	8	15th June	q. 2	W. Can. Flour Mills	80	80	118½	102		
800,000	b 600,000	578,143	5	1st July	q. 1¼	West India Electric						

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—indicates bonus; b—means bond; p—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, and December 1, 1914.

FAIR PROFIT ON NEWSPRINT FIXED AT $60 PER TON

Canadian Mills Will be Pretty Well Satisfied if Basis is Accepted.

EXPORTING AROUND $65

Vexed Question of Stumpage Dues—Huge Capitalization Increases "Costs"—Knotty Problems Before Investigator.

That the Government was disposed to take a reasonable view of the making of newsprint as a Canadian industry worthy of fair treatment was the impression gained from a remark of counsel for the Investigating Commission this week at Ottawa, when he remarked that the price determined would be at least $60 a ton and perhaps more. Since last March the price fixed by Order-in-Council as a "war measure" has been 2½ cents a pound, or $50 a ton. At this price the mills have claimed all along that they were losing money, and that it required the more profitable business from the United States to make up the deficit. The price suggested, 3 cents a lb., would, THE FINANCIAL POST was informed by officials of several large paper mills, be a little less than the average price that is being secured from United States buyers in Canada. Some contracts are as low as 3 cents, and others run slightly over 3¼ cents. There was an attempt on the part of the Federal Trade Commission of the United States to force not only the domestic mills, but the Canadian ones that exported to the States to accept a uniform rate of 2½ cents a lb., and it is surmised that the Canadian Government were influenced by this recommendation of the Commission in fixing the price for Canada. The recommendation of the Federal body did not become effective, however, and the Canadian mills have been disposing of their surplus across the border at a fairly good profit.

"$60 Will be Satisfactory."

If the intimation of the counsel at Ottawa is followed out, it is probable that it will be accepted as a fair price under the circumstances by the Canadian mills. A leading official of one stated to THE FINANCIAL POST on Thursday that the $60 rate would be satisfactory to his mill, one of the largest producers, and he thought it would to the others. Indeed at the outset of the investigation this was the price that the mills claimed was the lowest under which they could operate at a margin of profit. Since that time there has been a slight drop in the price of sulphite pulp, an important ingredient of newsprint, and with the prices of soft coal likely to average lower, the situation under a 3-cent basis would be likely to suit the mills from a financial point of view.

Better From Earning Standpoint.

Inquiry among the mills brought out the fact that there was little fear that the United States Government would interfere with the prices paid by U. S. paper users to Canadian mills, especially as would be the case if the price paid was but little above the Canadian fixed price. Thus from an earning standpoint the solution would improve conditions for the mills as compared with those existing since last March.

It must be noted, too, that barely more than 10 per cent. of the total output of Canada is consumed in this country, and that the mills here are pooling the difference between the Canadian price and that received for export. One of the largest mills stated that they were supplying a quantity less than 10 per cent. of their output, under this agreement, for Canadian use. Where this is not being done, the mill is paying into a fund its share of the lower price for Canadian papers.

Mills Could Not Agree on Cost

While the mill men still resent the action of the Government in seeking to fix prices, where few other prices are interfered with, they recognize the difficulty of the problem. As one put it: "If the mills were to work it out themselves there would be the greatest discrepancy. One mill has its own pulpwood and gets pulp cheaper than a mill that has no limits. If the cost were fixed on the former basis at a low price it would be unfair to the second mill; if the latter were consulted entirely, the former would make undue profits."

Thus if the reported increase in the fixed price goes into effect, it will be regarded as fairly satisfactory by the mills, and ensure them a fairer profit on their output than they have been able to secure during the past seven months.

Some Export Profits.

One of the most interesting points in the evidence before the Commission this week was the statement as

Continued on page 7.

Lake of The Woods Milling Co.

Reports Satisfactory Prospect

Shareholders hear that Western crops are in quality and quantity basis for confidence in future.

Montreal, October (Special)—In presenting to the shareholders on Wednesday of this week the statement for the year ending August 31, 1917, of the Lake of The Woods Milling Company, the Vice-President, Mr. W. W. Hutchison, referred to "the most satisfactory condition of the Western crops, both as regards quality and quantity" as a basis of confidence in the future business of the country. Mr. Hutchison presided in the absence of the President, Brig.-Gen. F. S. Meighen, who is on active service.

The Annual Statement shows Net Earnings of $569,747.75, apportioned as follows:—

Payment of interest for the year on the Company's bonds	$ 54,000
Payment of a dividend of 7% per annum on $1,500,000 Preferred Stock of the Company for the year	105,000
Payment of a dividend of 8% per annum on $2,100,000 Common Stock of the Company for the year	168,000
Written off Property Account	50,000
Written off Good-will and Trade Marks Account	50,000
	$427,000

This leaves a balance of $142,747.75, which has been carried to Surplus Account. In view of the fact that the bonds of the Company mature in 1923, the Directors thought it advisable to set up a Redemption Account and, with this end in view, have transferred from Surplus Account the sum of $200,000.00. After providing for this amount, and adding the surplus carried forward this year, Surplus Account now stands at $831,883.52.

The Company's Medicine Hat plant, which was destroyed by fire on April 29, 1916, was reconstructed and put into operation by January 2, 1917, from which date it has been running continuously.

Mr. W. A. Matheson was elected to the Board of Directors to fill vacancy caused by the death of Senator McKay.

DIVIDENDS DECLARED

The Trinidad Electric Co., Limited

NOTICE is hereby given that a quarterly dividend to Sept. 30th, 1917, at the rate of five per cent. per annum on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder, and are payable at the Royal Bank of Canada, Halifax, N.S., on and after Oct. 10th, 1917.

The transfer books of the Company will be closed from the 1st to the 10th of October, both days inclusive.

By order of the Board.

F. B. OXLEY,
Secretary.

Marcus Loew's Theatres, Limited

NOTICE is hereby given that a Dividend of 1¾% for the Quarter ending 30th September, 1917, being at the rate of seven per centum per annum, on the Preference and Common shares of Marcus Loew's Theatres, Limited, has been declared payable on the 15th day of October, 1917, to shareholders of record on 30th September, 1917.

By order of the Board.

SAMUEL D. FOWLER,
Secretary

Toronto, 29th September, 1917.

The Merchants Bank of Canada

QUARTERLY DIVIDEND.

NOTICE is hereby given that a dividend of Two and one-half per cent. for the current quarter, being at the rate of Ten per cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of November next to Shareholders of record at the close of business on the 15th day of October.

By order of the Board,

D. C. MACAROW,
General Manager.

Montreal, 2nd October, 1917.

SOLICITORS

MONTREAL

P.O. Box 856. Cables—"Nahac, Montreal."
Tel. M. 1250, 1251. Codes—Liebers—West. Union.

C. H. CAHAN, K. C.
BARRISTER AND SOLICITOR.
Transportation Building, St. James St.,
MONTREAL.

TORONTO

BLAKE, LASH, ANGLIN & CASSEL
Barristers, Solicitors, Etc.
Canadian Bank of Commerce Building,
Toronto
Cable Address: Blakes, Toronto.
General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

CHARTERED ACCOUNTANTS

EDMONTON, ALTA.

Baldwin, Dow & Bowman,
Jackson Block

CONSULTING ENGINEERS

MONTREAL

W. J. Francis & Co. - 260 St. James St.

Nova Scotia Steel & Coal Co., Ltd.

DIVIDEND NOTICE.

A DIVIDEND of two per cent. on the preferred shares of the company for the quarter ending September 30th, 1917, has been declared payable on October 15th, 1917, to shareholders of record of September 29th, 1917.

By order of the Directors.

THOMAS GREEN,
Cashier.

New Glasgow, Nova Scotia,
September 20th, 1917.

Penmans Limited

DIVIDEND NOTICE.

NOTICE is hereby given that a dividend of one and one-half per cent. has been declared on the Preferred Shares of the capital stock of this Company, for the quarter ending October 31st, 1917, payable November 1st, 1917, to shareholders of record of October 20th, 1917, also a dividend of one per cent. on the Common Shares for the quarter ending October 31st, 1917, payable November 15th, 1917, to shareholders of record of November 5th, 1917.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Sept. 20th, 1917.

AMERICAN EMBARGO.

Additional Commodities on Which Export Has Been Regulated.

The American Exports Administrative Board has announced an additional list of commodities, whose conservation is necessary on account of the limited supply and the needs of the United States in its successful prosecution of the war. Accordingly the board has practically prohibited the exportation of the following articles:

Oil well casing.
Boring mills, vertical, 42 inches and larger.
Lathes with 30-inch swing and larger.
Planers, metal working, 36 inches wide and larger.
Caustic soda.

and will subject applications for the following articles to the Food Administrator for his approval:—

Food grains and fodder (including, among others, wheat, corn, rice, barley, oats, rye, oil cake, and oil cake meal),
Animal fats, and
Vegetable oils and soap.

Export licenses may be granted, however, for the above articles when destined for actual war purposes, or when they will directly contribute thereto; and in certain unusual cases when such exports will contribute directly to the immediate production of important commodities required by the United States; and also in certain other cases where the articles may be exported in limited quantities without detriment to this country, such as food-grains and fats, which require the approval of the Food Administrator.

Individual licenses will be required for shipments to Canada, Newfoundland, and Mexico for all of the above-mentioned articles which are covered by railroad and for ocean bill of lading dated on or after October 1, 1917. This date has been fixed in order to avoid interference with goods in transit.

The Humphreys' Glass company has been organized at Moncton, N.B., with a capital of $200,000. This plant had been located at Chatham, N.S., and is being moved to Moncton on account of natural gas being available at that point. Bottles and lamp chimneys will be manufactured.

SILVER'S RISE DUE TO COINAGE DEMANDS

Recent Price, However, Not the Highest Since Civil War.

PRODUCTION DECREASED

Silver Mining Companies Stand to Derive Material Benefits From the Increased Demand and Higher Prices for the Metal.

Popular belief that the price of silver, now about a dollar an ounce, is at the highest level since the American civil war, is erroneous, according to C. H. Moorehead, writing in the Investment Weekly. He points out that during the civil war and up to the time that silver was demonetized in 1873, silver bullion was selling at $1.29 an ounce.

The succeeding high record came in 1890, when silver sold up to $1.21. This was due to the extension of silver legislation by the Sherman law, which provided for the purchase of 4,500,000 ounces of silver monthly at the market price, provided that that price did not exceed $1.2929 an ounce. To pay for the silver so purchased, an issue of treasury notes was authorized and made redeemable in coin. American purchasers, however, were unable to hold up the price of silver and it declined steadily.

The climax was reached in 1893 through the closing of the Indian mints to free coinage and the repeal of the act for the purchase of silver. In a few days the price of silver dropped from 82 cents to 62 cents, and for twenty years after, the price fluctuated around the latter figure. After the outbreak of the European war, silver went as low as 44 cents.

Reason for Rise.

The present advance in the price of silver, Mr. Moorhead attributes to the big demand that has developed, in many parts of the world, for silver for coinage. The United States, in the last nine or ten months, has been coining more silver and buying more of this metal for that purpose than in any similar period in history. Great Britain and France, too, have been heavy purchasers in order to provide their troops in the field with currency.

That there may be a sudden drop in the price is not impossible, according to this authority. It is true that inquiry exceed the visible supply, but that is no criterion. Silver has been known in times past to come on the market suddenly and in unexpected quantities. In fact, there is no gauging the silver market, as the market for gold, copper and other metals can be fairly accurately gauged. A shortage, to-day, it is asserted, may be translated into an excess to-morrow.

Production and Distribution.

Mr. Moorhead supplies the following summary of silver production and distribution:

The United States is now the largest silver producer in the world. A compilation by the National City Bank a few weeks ago, showed that the silver production of the United States is now double that of Mexico and three times that of Canada, which holds third rank among the silver producing countries of the world. Of the 172,383,000 ounces of silver produced in the world in 1916 the United States produced 72,833,000 ounces, or 42 per cent. of the world's total, while 20 years ago, in 1896, we produced but 37 per cent. of the world production, which in that year was 157,061,000 ounces. In that 20-year period, 1896 to 1916, the production of the United States has increased about 14,000,000 ounces, while that of other parts of the world has increased only about 1,000,000 ounces.

The world's chief producers of silver are United States, Mexico, Canada, Peru, Japan, Spain, Australia and Chile, in the order named, the United States having produced in 1915, for which figures of all countries are available, 74,961,000 ounces; Mexico, 39,570,000; Canada, 28,401,000; Peru, 9,420,000; Japan, 5,080,000; Spain, 4,565,000; Australia, 3,327,000; world total, 179,574,000. In 1916, for which returns are not yet availaable for many of the smaller countries, the production of the United States was 72,884,000 ounces; Mexico, 35,000,000; Canada, 25,500,000, and the world's total, 172,384,000 ounces.

Production Declines.

World production of silver has materially declined since the beginning of the war. The total output in 1913, the year immediately preceding the war, was 223,900,000 ounces but dropped to 160,626,000 in 1914, 179,574,000 in 1915, and 172,384,000 in 1916, the decline occurring in countries other than the United States.

Nearly one-half of the world's production of silver prior to the war was used in the arts and industries, the Director of the Mint having estimated the consumption for arts and industries in 1912, 97,000,000 ounces, out of a total production in the year of 224,000,000 ounces. At present, according to current reports, the countries at war are increasing materially their coinage of silver, partly to take the place of gold being withdrawn from circulation for other purposes, and in part to accompany the issues of non-metallic currency which have been made necessary by the demands of the war. Meanwhile, however, the demands of the Orient are also apparently increasing, since our own exports of silver to the Orient in the fiscal year 1917 will probably aggregate $16,000,000 against approximately $9,000,000 in 1916 and $6,000,000 in 1915.

Silver Companies to Profit.

With bar silver above 90 cents and the price tendency still strongly upward, so that a dollar or better likely will be seen presently, practically all of the silver producing companies stand to derive material benefits. Since production in Mexico fell off to almost nothing, there has been a market for every ounce of silver produced elsewhere and the silver mines of the Cobalt District in Canada as well as those of American districts, which carry silver as a by-product, now have enquiries for more than they can produce and ship.

Silver production in the United States this year may reach a total of 80,000,000 ounces, compared with 72,833,000 ounces last year, which was about 42 per cent. of the world's total. The average price of silver last year was 65.661 cents and this year so far, about 78.5 cents. It is not unlikely, however, that the average price for silver during the remaining months of the year will average somewhere between 90 cents and $1.00, so that the average for the full year would be brought pretty close to the 90 per cent. mark.

Leading Silver Producers and Their 1916 Record of Output.

Company	Location	Stock Capitalization	Silver (oz.) Prod. 1916	Present Price	Par Value
Amer. Smelting	Mexico	$104,299,000	†71,868,100	94	$100
Anaconda	Mont. & Wyo.	116,562,500	11,840,000	69	50
Butte & Superior	Montana	2,901,870	3,669,000	27	10
Calumet & Arizona	Arizona	6,424,750	1,863,000	78	10
Greene	Mexico	48,742,800	1,881,000	40	100
Kennecott	Alaska	*2,786,296	1,101,000	40	*..
Kerr Lake	Cobalt, Canada	3,000,000	2,586,000	5	5
Nipissing	Cobalt, Canada	6,000,000	4,044,000	8⅜	5
North Butte	Montana	6,450,000	1,047,000	..	15
U. S. Smelting	Utah & Calif.	41,873,250	11,647,000	58	50

*Number of shares outstanding no par value.
†Silver refined at smelters reserved from various producing companies.

ANALYSIS of BANK STATEMENT for AUGUST

Immediately Available Liquid Resources

ASSETS

	August, 1917	July, 1917	Change month	August, 1916	Change in year
1—Specie	$ 71,223,228	$ 72,242,843	—$ 1,019,615	$ 65,962,079	+$ 5,261,149
2—Dom. notes	120,508,217	122,743,664	— 2,235,447	137,918,307	— 17,465,090
4—Gold reserve	53,820,000	50,220,000	+ 3,100,000	20,860,000	+ 32,460,000
9—U. K. banks	19,740,887	13,823,786	+ 5,917,101	23,582,600	— 3,841,713
10—Foreign banks	50,058,175	60,031,786	— 9,973,611	66,309,539	— 16,251,364
11—Gov. securities	142,483,388	134,085,656	+ 8,397,732	33,580,875	+ 108,902,513
15—Call loans	178,610,625	151,875,676	+ 26,734,949	171,380,353	+ 7,230,272
	$635,944,520	$ 605,023,411	+$30,921,099	$519,588,753	+$116,355,767
Loans and Securities Other Than Those of Canadian Government					
12—Pub. secur.	$ 176,249,192	$ 182,461,263	—$ 6,212,071	$ 153,319,333	+$ 22,929,859
13—Railway secs.	58,763,965	59,297,033	— 533,068	66,756,853	— 7,992,888
14—Canadian call.	71,204,351	71,376,788	— 172,437	86,351,216	— 15,146,865
16—Current loans.	836,429,670	829,560,700	+ 6,868,970	739,938,513	+ 96,491,157
17—Loans abroad	87,082,847	90,253,882	— 3,171,035	66,556,371	+ 20,526,478
18—Loans to Govt.	1,607,763	3,849,316	— 2,241,553	8,337,992	— 6,730,229
19—Prov. loans	5,011,228	5,056,122	— 44,894	1,088,738	+ 3,922,490
20—Municipal	43,940,176	43,989,207	— 49,031	39,882,811	+ 4,057,365
	$1,280,289,192	$1,285,844,311	—$ 5,555,119	$1,162,231,827	+$118,057,365
Other Assets					
21—Overdue debts.	$ 5,639,778	$ 5,768,698	—$ 128,920	$ 6,366,680	—$ 726,902
22—Real estate	5,686,418	5,666,335	+ 20,083	5,068,700	+ 617,718
23—Mortgages	1,720,885	1,908,392	— 182,507	1,685,726	+ 40,159
24—Premises	50,725,312	50,577,670	+ 147,642	49,590,220	+ 1,135,092
25—Lets. of credit	16,990,296	16,260,225	+ 730,071	9,785,748	+ 7,204,548
26—Other assets	2,338,792	2,333,440	+ 5,352	2,472,666	— 133,874
	$ 83,106,481	$ 82,514,760	+$ 591,721	$ 74,969,740	+$ 8,136,741
Total	$1,999,340,193	$1,973,382,482	+$25,957,711	$1,756,790,320	+$242,549,741
3—Note cir. dep.	5,756,623	5,756,623	....	6,849,627	— 1,093,004
5-8—Int. bank bal.	91,293,846	93,547,089	— 2,253,243	77,225,852	+ 14,037,994
Gross	$2,096,390,662	$2,072,686,194	+$23,704,468	$1,840,895,799	+$255,494,863
LIABILITIES TO THE PUBLIC					
Liability to Governments and Circulation					
1—Circulation	$ 156,450,657	$ 154,692,268	+$ 1,758,389	$ 122,656,083	+$ 33,794,576
2—Dom. Govt.	25,271,715	21,748,070	+ 3,523,645	11,149,230	+ 14,122,485
3—Prov. Govt.	21,247,058	20,517,573	+ 729,485	24,869,532	— 3,622,474
Deposits by Public					
4—Demand dep.	439,995,259	450,849,356	— 10,854,097	443,317,275	— 3,322,616
5—Savings dep.	952,591,821	929,442,340	+ 23,149,481	806,774,687	+ 145,817,184
Total Can.	$1,392,587,080	$1,380,291,696	+$12,295,384	$1,250,091,962	+$142,495,118
6—Foreign	186,651,653	183,846,718	+ 2,804,935	140,789,100	+ 45,862,553
Due to Banks Abroad, Etc.					
9—U. Kingdom	$ 3,082,024	$ 4,576,954	—$ 1,494,930	$ 4,749,161	—$ 1,667,137
10—Foreign	21,478,965	23,806,270	— 2,327,305	14,211,060	+ 7,267,905
11—Bills payable	4,541,826	3,894,725	+ 647,101	3,503,313	+ 988,513
12—Acceptances	16,990,296	16,260,225	+ 730,071	9,785,748	+ 7,204,548
13—Other liab.	11,521,727	8,907,519	+ 2,614,208	3,882,770	+ 7,638,957
Public liab.	$1,839,823,001	$1,818,242,018	+$21,280,983	$1,585,737,959	+$254,085,042
8—Due bet. banks	8,391,875	8,731,151	— 339,276	10,788,514	— 2,396,639
Gross	$1,848,214,876	$1,827,273,169	+$20,941,707	$1,596,526,473	+$251,688,403

SILK IN U. S.

Consumption of Raw Material Exceeds Any Other Country.

The United States is now the greatest silk manufacturing country of the world, the quantity of raw silk consumed exceeding that of any other country. The value of the outturn of the silk manufacturing establishments has grown from $41,000,000 in 1879 to $87,000,000 in 1889, $107,000,000 in 1899, $197,000,000 in 1909 and $254,000,000 in 1914, the latest date for which Census figures are available. In that year, 1914, the total value of raw silk imported was but $100,000,000, while in 1917 the total of raw silk imported was $156,000,000, an increase in the raw material of over 50%. Should this increase in cost of raw material be reflected in the output of the mills of the current year, the total value of silk manufactures of the United States in 1917 would be nearly $400,000,000, or practically four times as large as in the year 1900.

MADE IN CANADA.

Page Hersey Company Turns Out Wrought Iron Pipe.

In a recent article dealing with the plumbing contract at Ottawa, THE FINANCIAL POST, in saying that if wrought iron pipe were used the money would go to the United States, intimated that such pipe was not made in Canada. Wrought iron pipe is made by the Page Hersey Iron and Tube Company and other Canadian concerns. Howover, the information on which our statement was based was that the majority of the contractors were figuring on using American pipe.

FAIR PROFIT ON NEWSPRINT FIXED AT $60 PER TON.

Continued from page 6

to prices that were being obtained on export business. The Abitibi Company produced newsprint for $39.93 a ton in June last, and sales were made in the United States at $63 a ton. A little earlier the same company sold news that cost $36 for $62. The Spanish River Co. made newsprint at $36 and sold some for $70 a ton.

Serious differences showed in the estimate of interest charges, which ran all the way from $5.50 to $13.48 a ton. This point will be investigated further, but the figures can never agree with the widely varying capitalization of the mills.

The selling cost for the exported product also varied, one mill, Spanish River, paying 60 cents, and Abitibi, $2 to the same company, George H. Mead & Co.

Stumpage Figures Differ.

Stumpage charges took a large portion of the time of the enquiry. Some mills put these in as low as 50 cents, while others were as high as $4 a cord. Counsel for the Government contended that putting in stumpage as $2 when it cost only 60 cents made a difference of nearly $2 a ton in the cost of the paper.

Sulphite Lower With Home-made

A statement that sounded more sensational than it really is, came from the Ontario Paper Co., of Thorold, that since it began making its own sulphite the price had gone down from $65 a ton, that Riordons were paid, to $46 a ton. They were now making newsprint at $45.32 a ton, whereas before it cost $58.98 a ton.

From $400,000 to $3,317,750.

One portion of the evidence would explain high interest charges. It was shown that the Abitibi limits of 1,560 acres were secured from the Ontario Government on payment of dues of 40 cents for each cord of spruce. When this concession was transferred to a new company these limits were valued at $400,000, but when the Abitibi Company took them over the valuation had increased to $3,317,750, and the capitalization of the various plants showed a surplus over liabilities of $11,985,000.

Bond houses, especially those engaged exclusively in the bond business, will be practically closed up for the next few weeks, and it is not likely that there will be any buying or selling of bonds, other than the war loan variety, until December.

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MONEY, BANKING AND EXCHANGE

Substantial Gains Shown in Bank Clearings.—For the Whole Dominion the Gain is 23.9 per cent.

Bank clearing returns, as reported to THE FINANCIAL POST for the week ending Thursday last, showed a substantial gain over the corresponding period a year ago. For the Dominion the clearings amounted to $280,561,646, an increase of $54,147,610, or 23.9 per cent., which compares favorably with a gain for the previous week of 17.5 per cent. In the East, the gain was 11.8 per cent., while in the West there was a gain of 52.9 per cent. Calgary, Lethbridge and Winnipeg showed the largest percentage gains in the West, and in the East, Halifax, Kitchener and Peterboro. Quebec and St. John were the only cities in the Dominion to show a decline. For the year to date the gain is 23.9 per cent. Comparative figures follow:

WEEKLY BANK CLEARINGS.
(In comparison with the same week last year.)

Eastern Cities.

	Oct. 4, 1917.	Change.	%
Montreal	$ 88,342,880+	$ 7,960,328	9.9
Toronto	63,589,986+	8,646,535	15.7
Ottawa	6,718,421+	760,554	12.8
Hamilton	5,156,438+	644,292	14.2
Quebec	4,054,002—	297,697	6.8
Halifax	3,472,074+	851,123	32.5
London	2,454,116+	231,284	10.4
St. John	1,759,788—	251,865	12.5
Brantford	1,027,881+	61,053	6.3
Peterboro	752,850+	134,909	21.8
Kitchener	669,544+	130,328	24.1
Sherbrooke	647,601+	36,944	6.0
Total, East.	$178,645,581+	$ 18,907,788	11.8

Western Cities.

	Oct. 4, 1917.	Change.	%
Winnipeg	$ 65,079,747+	$ 23,400,201	56.2
Vancouver	10,168,711+	2,396,695	30.7
Calgary	8,998,212+	4,359,258	94.1
Edmonton	2,869,800+	647,525	29.1
Victoria	1,719,672+	112,131	7.0
Regina	4,954,503+	1,750,555	54.7
Saskatoon	2,438,788+	1,004,802	70.2
Moose Jaw	1,641,760+	390,817	31.2
F. William	747,104+	163,050	27.9
Brandon	786,601+	123,903	18.8
Lethbridge	1,198,790+	503,877	72.4
N. Westm'ster.	488,015+	129,579	36.1
Medicine Hat.	824,362+	257,929	45.5
Total, West.	$101,916.065+	$ 35,239,822	52.9
Grand total.	$280,561,646+	$ 54,147,610	23.9
Yr. to date.	$9,254,633,588+	$1,788,925,540	23.9

During September bank clearing returns for the Dominion totalled $924,680,283, compared with $832,269,406 for September in 1916, an increase of $92,410,877, or 11.1 per cent., but as compared with the returns for August show a falling off of $39,966,450. For September the clearings are as follows:

MONTHLY BANK CLEARINGS.
(In comparison with same month last year.)

Eastern Cities.

	September, 1917.	Change.	%
Montreal	$319,972,597+	$ 24,635,388	8.3
Toronto	228,809,207+	32,395,481	16.5
Ottawa	22,558,761—	4,110,622	15.4
Hamilton	19,532,788+	2,889,240	17.3
Quebec	15,953,035+	218,031	1.4
Halifax	11,900,986+	1,810,701	17.9
London	8,900,572+	1,652,671	22.8
St. John	7,377,827+	415,207	5.9
Brantford	3,370,882+	714,312	26.9
Peterboro	2,560,818+	336,906	15.1
Sherbrooke	2,626,427+	488,150	22.9
Kitchener	2,357,895+	444,881	23.2
Total, East.	$645,921,789+	$ 61,890,345	10.5

Western Cities.

	September, 1917.	Change.	%
Winnipeg	$160,202,884+	$ 4,644,525	2.9
Vancouver	39,130,527+	9,440,154	31.7
Calgary	23,657,230+	6,489,201	37.9
Edmonton	10,715,366+	2,548,501	31.2
Victoria	7,225,051+	221,675	3.1
Regina	13,609,369+	2,467,301	22.1
Saskatoon	7,159,340+	1,922,125	36.7
Moose Jaw	4,688,660+	477,040	11.3
Ft. William	2,456,349+	196,555	8.7
Brandon	2,476,644+	125,407	5.3
Lethbridge	3,544,189+	919,436	35.1
N. Westm'ster.	1,641,990+	389,706	31.1
Medicine Hat.	2,250,895+	678,906	43.2
Total, West.	$278,758,494+	$ 30,520,532	12.3
Grand total.	$924,680,283+	$ 92,410,877	11.1

U. S. BANK CLEARINGS.

Bank clearings in the United States for the week ending September 27 aggregate $5,807,350,000, against $5,820,188,000 last week and $5,451,203,000 in this week last year, an increase of 6.5 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:—

(000's omitted)

	Sept. 30	I. or D		Sept. 20
New York	$3,377,158	D	2.9	$3,282,259
Chicago	470,764	I	14.1	486,300
Philadelphia.	321,913	I	23.2	348,393
Boston	226,076	I	24.1	229,720
St. Louis	130,254	I	22.9	141,824
Kansas City.	153,819	I	42.2	156,732
S. Francisco	99,263	I	41.1	100,607
Pittsburgh	88,546	I	23.2	73,012
Cleveland	71,547	I	39.0	76,239
Detroit	50,400	I	8.6	56,013
Baltimore	42,435	I	12.6	48,822
Cincinnati	40,931	I	20.0	40,877
Minneapolis.	39,343	I	36.1	43,476
New Orleans	40,520	I	57.3	37,762
Los Angeles.	24,630	D	3.3	28,345
Omaha	38,418	I	44.2	39,190
Milwaukee	24,918	I	24.5	27,235
Atlanta	32,489	I	36.3	34,348
Louisville	18,011	I	10.9	18,163
Richmond	30,129	I	58.5	50,438
Buffalo	18,755	I	15.2	18,896
Seattle	24,045	I	40.8	26,404
St. Paul	14,576	D	1.7	15,342

MONEY.

With Government loans being floated or pending flotation in Great Britain, the United States and Canada, the money situation must inevitably become tighter and tighter. In the case of the British loan, the new bonds will be issued continuously until further notice. They are offered in three maturities: viz., five, seven and ten years, with interest at 5 per cent., redeemable at 102, 103 and 105. A fourth class of bond at 4 per cent., maturing in ten years, is income tax compounded.

The American loan calls definitely for $3,000,000,000; the books are open for a specified period and the interest rate is 4 per cent. Provision is made for allotting bonds in excess of the three billions, and it is anticipated that from four to five billions will be raised in this way.

The Canadian loan will probably call for $150,000,000, but it is said to be the hope of the Government that at least $200,000,000 will be reached. Banking interests are reported to be urging a closed loan at $150,000,000 in order to keep the money situation easy, but there is little doubt that the Government will take as much money as it can get.

Call money in London has ruled uniformly at 4 per cent. In New York the rate has been easier, ruling around 5 per cent. Time money is reported scarce, with borrowers bidding 6 per cent. for all maturities covering both good, mixed and industrial collateral.

The New York bankers' pool to stabilize money rates has been enlarged from $100,000,000 to $200,000,000, ensuring practically an unlimited supply of funds for loaning purposes within the 6 per cent. limit. The banks have individually committed themselves to their respective shares of the pool, regardless of what they may already have at loan in the money market. When money rates approach 6 per cent., the banks are at once called upon by the money committee to supply the needed funds.

EXCHANGE.

Continued depression in New York funds has been a feature of the week. At ⅛ discount, which was touched on Thursday, funds are already at about the low point of last fall, which points clearly to considerably lower quotations later on this year, when the grain movement gets fully under way, unless some steps are taken to hold up exchange. The Government is understood to be still a seller of New York funds. And there is nothing on the horizon to give a prospect of a change in the outlook.

Demand sterling has also been weaker, being now around 4.75¼. The uncertainties of Transatlantic movements of shipping are having an effect on this exchange.

Francs continued steady at around 5.79¼ for demand and 5.76 7-16 for cables.

Roubles have experienced varied movements. From 15.90 last Friday, they dropped to 14.50 on Monday, recovered to 15.15 on Wednesday, and closed at 15.00 on Thursday.

COMMERCE.

Louis Weber, of the Wingham branch of the Bank of Commerce, has been transferred to the branch at Belleville.

BRITISH NORTH AMERICA.

Laurence Clark of the Bank of British North America at Calgary, Alta., has been appointed manager of the branch at Belmont, Manitoba.

MERCHANTS.

A. D. Pringle, of Preston, was recently presented with a handsome engraved gold watch on the occasion of his retirement as manager of the Merchants Bank at that point. Mr. Pringle was twenty-five years in the service of the bank and was the first manager of the first chartered bank in Preston.

DEUTSCHE BANK.

An Amsterdam despatch to the Exchange Telegraph Co., London, says that the Deutsche Bank has decided to issue 20,000,000 marks of new shares, with dividends running from January, 1917. Sanction will be sought from the Government.

It is believed, the despatch adds, that the bank intends to open branches in Roumania, Russia and Belgium.

MONTREAL.

The temporary branch of the Bank of Montreal at Valcartier Camp, Que., will be closed about Oct. 10. Collections at that point should be sent to the Quebec branch as formerly.

Lieut. D. Jellett Barker, who has been reported as killed in action, was formerly assistant to the general manager of the Bank of Montreal. He went overseas as captain of "C" Company and after going through preliminary training in England he elected to revert to the rank of lieutenant in order that he might more quickly go to France, and was drafted into the 87th Battalion Grenadier Guards; he was only in France a short time when he met his death. Although under forty years of age Captain Barker had had a splendid record of service with the Bank of Montreal. He entered the bank in 1896 and through marked ability he rapidly rose and performed importannt work in Mexico, London, England, and New York, while as inspector he visited most of the bank's branches in Canada. In 1911 he was appointed accountant of the Montreal branch and while in that position acted as manager at times, and in 1912 he was promoted to be assistant to the general manager, which position he held up to the time he enlisted for overseas service.

LAND BANK SCHEME IN UNITED STATES

New Method of Agricultural Financing Has Made Good Progress in First Six Months.

In view of the interest now being taken in this country and particularly in Western Canada in facilitating the development of the agricultural areas through credits made more readily available to farmers, interest attaches to the Federal Land Bank Scheme which was launched in the United States less than six months ago. Some account of the scope of the system was given to the American Bankers' Convention at Atlantic City recently by Leonard D. Robinson, President of the Federal Land Bank at Springfield, Mass.

"The land banks are making fairly good progress. None of the twelve land banks were in existence half a year ago. Unlike the reserve banks, they had nothing except an act of Congress to begin with. They were obliged not only to perfect but to organize—what might be called their member banks—the National Farm Loan Associations, and yet, their figures, as of July 31, are very illuminating.

"On that date they had received applications for loans aggregating $24,310,652, and had approved $18,985,803. This confidence in the system was by no means one-sided. Bankers and investors alike have eagerly shown their faith in the system. The syndicate of underwriting bond houses sold over $15,000,000 of Federal Farm Loan Bonds for July delivery before a single bond was issued—and this does not include the subscriptions received directly by the Land Banks.

"While all that I have said is, without a doubt, of general public interest as well as of interest to bankers, what you are probably most interested in is how the Federal Land Loan System will affect the future of the savings banks.

"It is needless to tell you how tremendous a force the savings institutions in the United States have been, and how great their influence has been on the economic life of this country. No country in the world has had such an experienced system of Savings Institutions. The $5,000,000,000 on deposit in these banks with the 11,000,000 depositors have made them truly banks of the people. In assembling the nickel, the dime, and the dollar of the small saver, and making them available for the railroad, the farm, the municipality, the state, the nation, they have accelerated the growth, progress, and welfare of the country, and have, contributed to the well-being of every man, woman and child.

"The savings banks were born of a need, have grown in a service, and prospered in the confidence of the public. Nothing must be permitted to injure them or minimize their influence. And yet the savings banks, like other established institutions, cannot stand in the way of progress. There is no denying the fact that the savings banks have contributed practically nothing—considering their huge deposits—to our agricultural progress. This is not in the way of criticism. They were simply not designed for that purpose. They were designed for the simple purpose of helping the provident and the forehanded to lay by and accumulate for the future. Their primary function is the arrangement of thrift. The lending of money is an effort.

"Investments in farm mortgages, though negligible insofar as the savings banks as a whole are concerned, nevertheless constitute a very important item in the budgets of some. These will doubtless be compelled to revise their investment schedules somewhat. But we must bear in mind that savings banks, like the Sabbath, were made for the people and not the people for the savings banks. How the savings banks are to meet the situation is not easy to say at the present moment. Time alone can tell that."

PUGET SOUND LUMBER.

Amalgamation Consummated on Coast To Be Investigated.

Special to The Financial Post

VANCOUVER.—The affairs connected with the formation of the Canadian Puget Sound Lumber Co., of Victoria, are shortly to be aired in the Supreme Court of British Columbia, according to the terms of a court order which has just been granted to a former shareholder. This company was formed out of an amalgamation of the Michigan Pacific Lumber Co. and the Michigan Puget Sound Lumber Co., the directors of which were residents of the United States, whose names were W. C. Langley, Chas. A. Phelps, John H. Moore, O. B. Taylor and E. B. Caldwell. After the amalgamation, affairs did not eventually turn out very well with the result that the company could not pay the interest on its debentures in 1914, an order to wind up the company having been granted. The claim is made that one or two of the directors, by under-handed means endeavored to secure the assets of the company, and it is on this ground largely that the action is being taken. After the statement of claim is filed, the defendants are given twenty-one days in which to file their defence.

New radio world's record has been made by receipt of a message from the navy station at Pearl Harbor, Hawaii, by one at Sayville, L.I., a distance of about 5,000 miles. Washington and Philippines are in direct communication via Hawaii.

THE ROYAL BANK OF CANADA
INCORPORATED 1869

Capital Authorized - - -	$ 25,000,000
Capital Paid Up - -	12,911,700
Reserve and Undivided Profits,	14,324,000
Total Assets - - - -	300,000,000

HEAD OFFICE, MONTREAL.

365 Branches in Canada and Newfoundland.
Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

BRITISH WEST INDIES

ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown and Speightstown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando and Scarborough (Tobago); BRITISH HONDURAS—Belize. BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).

LONDON, ENGLAND
Bank Bldgs., Princes St., E.C.

NEW YORK CITY
Cor. William and Cedar Sts.

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

Private Executors--

who find that the duties which they have assumed under Wills take up too much of their time, are invited to consult this Company.

The fees charged for acting as Attorney or Agent for Executors, holding the securities of the Estate for safekeeping, collection of interest, etc., are very moderate.

We shall be pleased to quote fees and to have a representative call on you when and where desired.

Montreal Trust Company
Sir Herbert S. Holt, President. A. J. Brown, K.C., Vice-President
TORONTO OFFICE: ROYAL BANK BLDG.
J. F. Hobkirk, Manager

THE ROYAL TRUST COMPANY
EXECUTORS AND TRUSTEES
HEAD OFFICE, MONTREAL.
Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.

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W. E. LUGSDIN, Secretary-Treasurer.

Authorized Capital	$ 1,000,000.00
Subscribed and Fully Paid	750,000.00
Reserve and Surplus	500,000.00
Total Assets	15,000,000.00

Acts as Trustee, Executor, Administrator, Guardian, Agent, Etc.

By appointing this Company your Trustee and Executor or Financial Agent, you ensure expert and continuous service, and safeguard your Estate against mismanagement and loss.

Will forms supplied on request, free.

All business of a Trust nature transacted.

The impartiality of the acts of a TRUST COMPANY and its freedom from improper influences are some of the advantages offered by

THE MANAGEMENT OF ESTATES

We will gladly discuss this matter with you.

CAPITAL ISSUED AND SUBSCRIBED	$1,171,700.00
PAID-UP CAPITAL AND RESERVE	860,225.00

The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

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LIMITED
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Acts as Executor, Administrator and Trustee. Administers Rea Estate.

We have special facilities for handling property in the Niagara Peninsula.

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5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

THE EMPIRE LOAN COMPANY, Winnipeg, Man.

A Family Duty

A man owes no more important duty to his family than the making of his Will. Every man knows who should or should not participate in his estate, and it is only by making his Will that proper division can be assured. A capable and impartial Executor must be appointed. We solicit the appointment, and by our thorough organization can and will give your estate economical and efficient administration. Write us for free Booklet, Making Your Will.

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TORONTO GENERAL TRUSTS CORPORATION
Head Office 83 Bay St., Toronto
$77,180,513.62 Assets under administration

PSYCHOLOGY IN ROUTINE OF THE BRANCH MANAGER

"Front" Does Not Count When it is a Question of Credit.

COMPETING FOR ACCOUNTS

How a Manager Lost His Job By Being Too Aggressive—Prospects Must Be Carefully Studied and Cultivated.

You can't establish a man's credit standing by the coat he wears—besides he may be in his shirt sleeves. The other morning in a branch bank in an outlying district in Toronto a cheque for $25.00 was returned "N. S. F." The manager tells me that when he went out to lunch that day he saw the man who drew it riding in a new automobile which must have cost at least $2,500. During the afternoon that day another cheque for $79.00 was presented, on an account in a similar state to that previously referred to. It was drawn by a man who usually has lime on his coat—when he wears it—and is not afraid to be seen in last season's hat. The second cheque was paid.

That is a little example of the psychology of banking. In a large measure the success of the branch manager may depend upon his ability to successfully judge the men who may apply for credit. A statement of the man's affairs is almost a necessity in making a recommendation to head office but that recommendation cannot always be based upon cold figures. Character, reliability and energy—is an important factor, and the ability to judge character has always been an important factor in credit transactions with individuals from the smallest corner store retailer to the greatest industrial promoters.

The ability to correctly estimate a man's credit responsibility may occasionally be a natural gift. But the manager who depends upon his native ability alone in this respect is very likely to find himself in trouble sooner or later. Judgment based upon knowledge of the customer alone is reliable. This is best obtained by a knowledge of the community—a knowledge gathered outside of, rather than inside of, banking hours and by becoming a factor in the public and social life of the community.

A branch manager who had been twelve years in his field told me that there have been many cases in which he has been able to recommend a loan to a man merely on his personal statement that he owned certain property, etc., and was in need of a small advance for a short time. This was the result of knowing the standing of the man and the credit was based upon this standing rather than upon a statement of assets. Besides I have an idea that this manager after his twelve years' experience had come to a pretty general knowledge of who owned property and who did not in his district—and whether he should lend money to buy gasoline for a Ford utility vehicle or a Packard pleasure chariot.

* * *

Many progressive ideas as to the field of the bank and the banker are being introduced into the Canadian system. Competition for accounts is becoming keener. Still banking remains a "profession" as compared with other lines of business. In the medical profession there are certain ethics which must be observed in securing patients and in the banking profession there are likewise certain ethics to be observed in securing accounts. And while it may be a debateable question as to whether etiquette is not too rigidly maintained in banking there are certain well founded reasons for it. Instance the following:

I was speaking to a branch manager the other day whose field is a district in which there is considerable retail business transacted and where savings accounts are also sought after. I asked him about competition for accounts. He smiled reminiscently. "There was a manager who came to this community," he said "with the idea that he was going to get a lot of accounts away from us old boys who, in his opinion, no doubt, had been letting the dandelions grow under our feet. He went out after accounts. He got them. But there was a new manager in that bank in a couple of months."

The banker had aroused my interest and I asked for an explanation which brought a twinkle to an eye already part closed with the wrinkles of that reminiscent smile. He gave it. The aggressive manager who went out after new accounts took them away from banks where the customers had been getting satisfaction and service. He was therefore under an obligation to the customers thus secured. When they wanted a line of credit they took advantage of this to see if they could not get more favorable terms than from the old bank. The basis of credit is much the same with the different banks with the result that applications were turned down and the applicants were very sore. When they could not get better service from the new bank than from the old they returned to the "old stand." The appointment of a new manager was an indication of how head office viewed the matter.

But this is not written to indicate that branch managers cannot get new accounts—or cannot take accounts from other branches for that matter. But it must be done after a very careful study of the ground. Canadian banks, while following the same general lines in setting the basis of credits, do not all give similar service. The branch manager has a chance to analyze his field and prospective customers and to decide where there are new accounts to be had, or where he believes that the special features of the service which his institution renders will prove an attraction. In bringing these features to the attention of the prospect the mails can be put to valuable use. A little campaign of education can be carried on unobstrusively with the idea, not of preparing the prospect for an "approach," but to gradually bring him to the point where he is convinced that the bank's service will be of special value in relation to his needs and requirements.—J. W. T.

BANK CREDITS TO THE MANUFACTURER

A Unique Service Organized By the National City Bank of New York for Customers.

Progressive steps in the direction of increasing their service to their clients of a character which would have been deemed most radical in the days of the old school of banking are being taken by some of the big banks in the United States. An example of this is the Industrial Service department which has been organized by the National City Bank of New York. The object is much broader than of merely obtaining information to assist the officers in granting credit. The department is intended to be a reservoir and clearing house of up-to-date and serviceable industrial information. It is planned to gather in and disseminate new ideas about industrial methods and industrial conditions, the plan being to keep American business men well informed upon all developments of interest to them at home and abroad. It will have in its service experts in industrial methods—including cost accounting—an industrial engineer of training and experience and such other assistants as may be found useful to carry out the general purpose. However, it is not, of course, the idea to compete with the engineering firms who make a specialty of advice upon efficiency and management but rather to stimulate interest in the study of improved methods, give such information and counsel as can be rendered without charge and generally assist in rendering the most efficient banking service to industrial concerns. Of this bank's idea of the relations between the banker and the manufacturer we read:

> The bank credit factors which must be available to enable the manufacturer to handle his business in the most economical manner, and it is evident that as a condition to granting credit freely a bank should be well informed upon manufacturing conditions. A great many banks have lost money by lending to concerns which upon a superficial showing appeared to be prosperous, and in many such instances the proprietors thought they were prosperous. On the other hand, many industries have been unable to get the amount of credit they could advantageously use because the conditions were not fully understood by the banker. Industries which were fundamentally sound have failed for want of credit at a critical time because bankers did not feel themselves sufficiently informed upon all conditions to justify them in continued support. In order to be well informed about a manufacturing business, there is much that a banker ought to know beyond the amount invested in it, or even the "quick" assets shown by the inventory, and past profits shown by earning statements, and this other knowledge cannot be obtained by a busy bank official at his desk or even by a casual call upon the customer. The result is that there is often a lack of contact and familiarity on the part of the banker with the business which he would be glad to serve.

RECOGNIZES ITS VALUE.

A new subscriber to THE FINANCIAL POST writing from Poplar, B.C., says that if the publication is as good value as MacLean's Magazine it is certainly exceedingly cheap. He says that he showed a copy to several parties and they agreed that one article alone was worth the price asked for the year's subscription.

ADVERTISING TAKES "DIG" OUT OF BANK DIGNITY

A Spirit of Service and Efficiency—Even Window Displays Are Now Being Used.

By W. R. MOOREHOUSE,
Manager Guaranty Trust and Savings Bank, Los Angeles.

I think that you will agree with me that dignity is an essential element in banking. It inspires public confidence in banks. If you were to eradicate it from our banking structure, the public mind would automatically become filled with suspicion and distrust for banks and banking, and the old shoe and the tin can would again serve the people as a depository for their money.

Prior to 1900, or about this date, bankers as a class placed the wrong interpretation upon this term we call bank dignity. Led astray by their definition of the term, many bankers considered that owing to the very nature of their work, they were superior to their patrons and of higher rank. As a consequence, it was very natural that they should hold themselves aloof from their patrons, which was exactly what they did.

This condition prevailed very generally up until the time banks began to advertise. Let me repeat that statement—this condition of aloofness, of separation between bankers and their patrons, prevailed very generally up until the time banks began to advertise. It is remarkable that just as fast as advertising made headway among banks, just so fast did the objectionable features of our bank dignity begin to disappear one by one. But someone asks—how about the banks that do not advertise—their service is good? I will answer that question by saying that other things being equal, I have always found that the service rendered by banks that advertise is superior to that of banks that do not advertise. I admit that there are banks giving good service that do not advertise, but let me suggest that perhaps competition with other banks that do advertise has much to do with the efficiency of its service to patrons. It is my observation that if one bank increases the efficiency of its service, other banks will imitate it so far as it is possible to do so, as a means of protecting their own business.

It is no longer an accommodation or a favor extended on the part of a bank for it to loan money to its patrons, for such a transaction now is regarded as of mutual benefit to all concerned. How different from what it was twenty years ago, yes, ten years ago. Formerly a person who wished to borrow from his bank somehow felt that he should approach his banker meekly and pray that a loan might be granted; and borrowers actually did humble themselves. Occasionally a person still comes into the Guaranty Trust & Savings Bank, with which I am associated, with an apology on his lips for having to borrow money. Let me assure you, that it is just as honorable to ask your banker for a loan, if for a legitimate purpose, as it is for you to deposit money with him, and the borrower's business is as fully appreciated by the bank. There are many other instances where banking transactions are regarded from an entirely different point of view from that held years ago.

So effective has been this process of regeneration, that it is the exception and not the rule to find a banker to-day who is not easily approachable and not glad to serve his patrons. Stipple glass doors which in the past screened away the bank official, and the prison-like bars which separated the depositor from his teller, have given way to the friendly open counter; and to-day not only the rich but the poor as well are made equally welcome by the average bank.

Advertising Parent of Efficiency.

Yes, the day of the bank dignity has gone—one of the evidences of a greater democracy in the banking world. A new interpretation has been placed upon the term "dignity." "Efficient Service" is the new definition for dignity, and financial advertising is the parent of efficient service.

How and when was this readjustment brought about?

It was in 1900, or about that date, when a few banks began to advertise in the newspapers. In those days it took more courage than you may imagine for these few banks to venture out into the field of newspaper advertising; pioneering, so to speak, for arrayed against them were ninety-nine out of every hundred banks that raised their voices in protest, pronouncing the step in no uncertain term, as undignified, unethical and unbecoming a bank. The pioneers who advertised were said to have lost their financial poise, and it was predicted that their recklessness would excite the public and make them suspicious of banks everywhere. But the die has been cast, the people in general took kindly to newspaper advertising by banks, new business began to come in as a result of the effort, and in course of a year the opposition to newspaper advertising weakened, and the number of banks advertising was slowly augmented until to-day nearly every bank uses newspaper advertising.

When next you have occasion to step within the threshold of the bank where you do business, and you are met with a smile, and your teller puts forth his best effort to serve you efficiently, and as a result of this courteous attention you find it a pleasure to transact your banking business, just remember that this was made possible by the thing we call advertising, which in a comparatively short time has taken the "dig" out of bank dignity and instead given us Efficient Service.

THE STEEL OUTPUT.

U. S. Corporation Has Troubles With Transportation and Labor.

Railroad embargoes, a shortage of fuel at steel plants and at blast furnaces, resulting from a diversion of railroad cars to the Northwest and causing the banking of many furnaces, together with rebellious labor at various works, conspired in September to reduce the output of pig iron and of rolled and cast steel by 3 to 5%, as compared with the preceding month. It is estimated that the United States Steel Corporation operated less than 90% of capacity in September. There were also only 24 working days in the month indicating that the total production of steel ingots was a little over 1,500,000 tons, which means the production of 1,124,000 of rolled products. There was thus a decrease of over 200,000 tons in the production of crude steel and a loss of 180,000 tons of rolled products as compared with August. Shipments, for the same reasons that cut down production, were estimated to have been 150,000 tons less than in August, pointing to total September shipments of 1,100,000 tons. If the subsidiary companies booked as large orders in September as in August, it would indicate a decrease of 300,000 tons in unfilled orders. It is known, however, that some of the subsidiary companies took larger orders last month, while others took almost nothing. The full extent of the new business, therefore, depends largely upon how great a tonnage of Government orders was actually booked by the mills.

CANADA

How best to Serve

Every Canadian can help in the successful application of the Military Service Act

THE Military Service Act is the law of the land. It will be enforced sincerely and with firmness, but fairly. Reinforcements to be raised are limited to 100,000 men, who are being selected by the country, not by the military authority. Military control does not start until these men are chosen.

The Men Called Can Help

The first call is for men between the ages of 20 and 34 inclusive, who were unmarried or widowers without children on July 6, 1917. All these men should go immediately before a Medical Board in this district for examination as to physical fitness. If they are not placed in the Medical Category A., their present obligation ceases. If found physically fit and placed in Category A., they should, immediately after the issue of the proclamation calling out the first class, visit the nearest post office and report for service on a printed form supplied. If reasonable ground for claiming exemption exists, an exemption form may be obtained from the Postmaster, and filled out. The Postmaster will forward this form to the Registrar appointed for the district, and the man seeking exemption will then be advised by mail when and where he should appear before an Exemption Board to have his case taken up.

The Employer's Part

Employers will find it to their advantage to see that all the men in their employ who are in the first class under the Military Service Act appear as soon as possible before a Medical Board for examination. Should an employer desire exemption for any one of his men who is found physically fit, he may seek it on the following grounds:

(1) that the national interest demands that a man be left at his work rather than placed in military service.

(2) that, instead of doing military service, a man should be used in work for which he has special qualifications.

(3) that it is expedient in the national interest that instead of being employed in military service, he should continue to be educated or trained for any work for which he is then being educated or trained.

Duty of Parent or Near Relative

Parents or near relatives of men in the class called may apply for their exemption on the above grounds or because of some special domestic reasons. In this, as in other cases, delay is a grave mistake.

Issued by
The Military Service Council

144

THE
COLONIAL INVESTMENT AND LOAN COMPANY

Capital Authorized - $5,000,000.00
Capital Paid Up - - $2,453,995.83
Assets - - - - - - $3,527,985.91

HEAD OFFICE:
15 Richmond Street West
TORONTO, ONT.

$125 Security for every $100 Invested

EVERY Colonial Debenture for $100 is "covered" by the deposit of $125 worth of mortgages and other authorized securities with the Imperial Trusts Company of Canada, under a Trust Deed. Thus principal is amply secured.

COLONIAL 5½% DEBENTURES

are issued in sums of $100 and multiples thereof, and bear 5½% interest, payable to bearer, and payable half-yearly. Interest coupons are attached.

Colonial 5½% Debentures are issued for periods 1 to 10 years, to suit the requirements of purchasers. They are a most attractive form of investment.

Write or 'phone for full information.

THE FINANCIAL POST OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - H. T. HUNTER
Manager - - - - - - - - - - - R. G. DINGMAN

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may demand.

ADVERTISING RATES:

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Financial Reports, Prospectuses, etc., 15 cents per agate line.	

SUBSCRIPTION PRICE:

Canada and Mexico	$3.00 per annum
United States	3.50 per annum
Great Britain, Ireland and Colonies having minimum postal rates	12s. 6d.
France and other Countries	16s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

Published by

THE MACLEAN PUBLISHING COMPANY, LIMITED

143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury St., H. M. Reid; WINNIPEG, 1207 Union Trust Building, C. W. Byers; BOSTON, 733 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, R. B. Huestis; CHICAGO, 1104-7 Fort Dearborn Bldg., A. H. Byrne; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

Toronto, October 6, 1917.

TIME TO BUY RATHER THAN SELL

THE solution of successful investing is to buy at the bottom and sell at the top. Simply stated, but difficult to perform. Rothschild said that to attain such success required exceptional genius; financial authorities are, in fact, unanimous on the point. But Rothschild made his fortune by buying in depressed areas and selling in boom periods. His example is so obviously good to follow that few do so; the general public buys on booms and sells on depressions.

The point to be made here is that this is a period of depression. For the careful investor who recognizes a security of stability and is willing to wait for his profits—though he may have good return in the meantime also—this is a time for buying rather than selling.

This is not said in any discouragement of the war loan. Every citizen should buy to his limit of it—and he will have a good investment. Nor is there any assurance that the market will not go lower; indications are that, with a continuation of the war, it may sag further. But when good investment securities can be had to return eight per cent., they have every attraction for the investor who does not desire to get rich over night.

The market may go lower before it starts up again, but Rothschild was undoubtedly right when he said that it was the exceptional genius who could buy at the bottom.

LABOR AND PUBLIC OWNERSHIP.

THE strike of the street cleaners in Toronto and the failure of the civic abattoir scheme are events which are in no way connected, but which reflect upon two weak phases of public ownership from different angles. The linking together is the work of the Toronto *Telegram* from which we quote:

> Public ownership, public service, public operation of public utilities, got a smash in the face this morning when five hundred employees of the civic Street Cleaning Department would not go to work because they didn't approve of the Street Commissioner.
>
> Coming on top of the confessed failure of the municipal abattoir last week, the development made advocates of public ownership wrathy, if not despairful.

The *Telegram* is correct. These events do reveal weaknesses of public ownership against which THE FINANCIAL POST has issued repeated warnings. Of the abattoir failure we have already spoken; it was the result of reckless investment of civic funds without a business-like consideration of the proposition and its future. Of the street cleaners' strike we may say that it is an example of what labor may do when employed on a public ownership enterprise or undertaking where political considerations may provide it with a club. Australia, the great labor ruled Dominion, provides an example.

The unreasonable domination of public affairs in Australia by labor has recently been described to THE FINANCIAL POST by Rev. R. B. S. Hammond, a prominent Anglican divine and social worker of Sydney, who told of first hand experiences. In Australia, state and federal ownership has been developed until the railways, the telephones, the telegraphs, the tramways, the bakeries, waterworks, brick kilns, joineries, quarries, coal mines, etc., are controlled and operated.

All these different undertakings are not only carried on by the Government, but when the Government is elected by the labor party, the workmen have more or less control of the administration of the institutions in which they are employed. In fact, with so many industries Government controlled, the position is that these employees can practically dominate an election and thus formulate the policy under which they work.

If the people were always reasonable and cognizant of what is for their own good, such an arrangement might work out. The present Toronto strike is an indication of what might be expected. It gives really no conception of what has actually happened. Toronto has its street cleaning system tied up. Australia has faced national suspension. Under the abnormal conditions of war, near-sighted labor agitators have caused widespread unrest. Strikes have been general and on such a scale as to prove a national menace. For example, the men in the railway shops took such an unreasonable attitude that, despite the needs of war production, signs were posted telling the workers that if two men did the work of three men, one man would be out of a job. When the national need was higher production, the labor element, the dominating factor in politics, posted its slogan "Go Slow."

THE FINANCIAL POST believes in the rights of labor; believes that as the result of the war there must be broader recognition of that class which has proven the greatest factor in the conduct of the war; believes that capital must be prepared to change its attitude in some respects. But it sees a grave danger in the spread of public ownership which carries in its train misunderstanding, inefficiency and waste.

THE COAL EMBARGO.

THE action of United States Fuel Administrator Garfield in placing an embargo against shipments of coal to Canada through lake ports, in order to turn the supply to the Western States, is a pointed reminder to the Canadian people and to Canadian industry of the extent to which we are dependent upon our neighbor for our fuel supply.

The inference has been drawn that the idea may be to impress upon this country that the United States is entitled to a free supply of Niagara Power in return for supplies of coal. The point may or may not be in order, but the fact remains that it is quite evident that there are many issues between Canada and the republic to the South which must be settled on a basis of free exchange and mutual advantage.

BANKERS AND RAILROADS.

RECOGNITION of the necessity of the railroads as institutions of national service and their need for revenues which will result in profits, sufficient not only to provide the service for which they have been established, but also to return such dividends to the investors as will encourage the placing of capital in such enterprises, has been openly and emphatically given by the American Bankers' Association. The trust company members of the association have, in fact, joined the National Association of Owners of Railroad Securities—organized for protecting and stabilizing the securities of the carriers.

The linking up of the financial and transportation interests in this matter is significant of the trend of opinion in the United States. The trust company bankers are closely in touch with the public, they realize that under the existing returns railroad issues are not attractive and that to secure funds, ample return on the investment must be made. This return cannot be shown under the existing conditions.

The association passed a resolution setting forth that the business interests of the country are suffering for lack of transportation facilities, that the railroads are unable to improve their service, that capital is reaching almost prohibitive figures and that action should be taken to impress upon legislative and regulatory bodies the necessity for giving serious consideration to the matter in order that railroad credit may be strengthened and the way thus paved for improved facilities.

THE EXPORTABLE SURPLUS

LORD Rhondda quite evidently endeavored to reveal the silver lining of the war cloud when he stated that the submarine campaign had been a source of great advantage to England by stimulating production to the extent that within the year the United Kingdom would be practically independent of imports so far as the chief foodstuffs are concerned. If the submarine menace becomes such that it is necessary for Britain to feed herself, we pray that what he says may be true. However, from the Canadian standpoint there is another aspect which may be discussed.

The price of wheat and other foodstuffs in Canada today—a price, by the way, which is a great factor in our present prosperity—is fixed by the market for our exportable surplus; in other words by the law of supply and demand, or, to put it another way, production and consumption. The Canadian farmer is getting $2.21 for his wheat because that is the price at which the exportable surplus can be sold and the home consumer must naturally pay the same price. If Britain gets in the position that she does not require our exports, or if the submarine menace becomes such that we cannot make delivery, then fixed price or no fixed price, the value will come down—how far down it is not well to contemplate. Under such conditions the maintaining of a fixed price would be an obligation of the Government which has evidently elected to take the place of the speculator and it would sustain the speculator's loss—a loss which all the people would pay through taxation while the farmer got the benefit.

However, in view of the present price which Britain is willing to pay for Canadian wheat, we are inclined to think that Lord Rhondda is not so much revealing the silver lining as he is burnishing it.

EDITORIAL NOTES.

IF WE are to get men for the army by conscription, we should get funds for the Red Cross by taxation. Voluntary methods in both connections are inequitable and unfair.

* * *

THE Toronto Commissioner of Finance says that the sale of the municipal abattoir will mean a saving of $95,800 per year, while all the advantages which the citizens are now afforded will be perpetuated. Looks like a good deal for the city.

* * *

THE Toronto *Star* says that there is only one newspaper in Canada which is not condemning the Food Controller. To us the surprise is not that there are not more, but that there should be even one "newspaper" courageous enough to face the wrath of public opinion to express sensible economic thought. Newspapers generally go with the mob—and the mob is generally wrong.

* * *

FROM the economic standpoint there is the interesting point to be considered that if Germany's supplies have been cut off by the blockade of Britain and her Allies, she has thereby been prevented from spending money. Having been forced to live within herself, she can continue to do so until such time as the confidence of her own people is destroyed and they refuse to take further promises for their money.

* * *

STILL another example of the service of the men of big business and executive capacity in the United States is the intimate connection of Frank A. Vanderlip to the Treasury Department. As the guiding genius of the National City Bank of New York, the greatest in the United States, he has been regarded as a leading banker of the nation. His advice should be invaluable at such a time.

HOLLAND, WRIGHT AND LEWIS, MEN WHO WIN WARS

Sketches of American Inventors Who Have Added to Scope of Warfare and Their Inventions.

THE United States has provided many of the mechanical devices which have served to make warfare so all-embracing. It is owing to American inventiveness that warfare is now carried on in the Heavens above and in the waters under the earth. H. Thompson Rich tells in *The Forum* of the men who were behind these inventions, dealing rather with the invention in each case than with the men themselves but supplying nevertheless some interesting material with reference to them.

J. P. Holland designed the first successful submarine, over in Paterson, New Jersey, amid the clatter and roar of silk factories; and after a long struggle, he finally won the support of Isaac L. Rice, the financier, who backed the project and saw it through. The result was the Holland, launched in 1900.

This craft, by its successful performance, won quick favor abroad. England, France, Russia, Japan, and Germany immediately began laying plans for Holland-type boats. The United States was the only large nation that held back. Here was a weapon that could cruise like a battleship, dive like a fish, and rise suddenly to deliver a death-blow at some unsuspecting enemy. But Uncle Sam refused to acknowledge its possibilities, during all the years that Europe was eagerly taking it up. What few undersurface boats our Government did acquire were more for experimental purposes than anything else, and utterly inadequate to the task of helping defend our 3,000 miles of coastline. Yet our manufacturers during those years were turning out quantities of submarines for foreign governments, craft unexcelled anywhere in the world. The Submarine Boat Company recently built ten submersibles for a European Power, of a type in advance even of Germany's latest U-boats.

By the time the war came, Europe had over 400 submarines, all up-to-date; while we had but 27, only nine of which were modern. Now, after three years of it, with the demand for these craft far greater than the supply—which is enormous—heaven alone knows how many submarines are in commission abroad. The Central Powers are authentically reported to have over 500, and it is well known the Allies are not far behind them. Yet in those three years of fiery experience, Uncle Sam has not added over four boats to his sub-surface fleet—and more than that number have been wrecked or scraped. So as far as submarines are concerned, we are worse off than we were in 1914.

The fact that the Government has ordered 38 of these boats to be built at once, and that there are something like 77 more under construction, is promising. But getting them built is quite another matter. With the major portion of the big naval program not even under way; with the immediate and pressing need for 1,000 merchant ships confronting our builders; with structural steel at a premium,—with these and other gigantic problems of quick preparation for war to face, it is seen at once that the manufacturer is up against a stiff proposition. The fact that we should have begun three years ago does not help us now. We have **got** to build these boats, no matter what obstacles stand in the way. Moreover, we have got to build many more like them in the next couple of years. The foremost naval authorities have shown that we need 300 submarines to properly wage this war.

Of all the weapons that went into the great world struggle, the submarine entered most clouded in doubt. It was a dark horse. But like many another dark horse, it has come through a winner. Those who had their money up on it wear broad smiles. Those who were afraid to bet are going around grumbling. Europe put her money up and won. America kept her money in her pocket. It is not hard to guess who is doing the grumbling.

Aeroplanes.

Consider aeroplanes for a moment. These, too, are an American invention. Everyone has heard of the Wright brothers, of their early experiments with kites and gliding machines at Dayton, Ohio, and of their further experiments at Kittyhawk, North Carolina, where they actually flew.

The Wrights were patriotic Americans. They offered their invention to the Government, just as Holland had done. And as in his case, Washington rejected the idea. Then, after a hard fight for funds, they built two or three more machines and went to Europe. That was in 1908. In the same year, and in the early part of 1900, flights of so successful a character were made that the French Government became interested. The brothers then returned to America, and again offered the United States authorities the idea. This time they were successful. Uncle Sam, having been "shown," turned around and bought back from France the basic patents of the machine, and it was officially adopted by the Government.

But having something adopted and getting Congress to appropriate funds for construction are two entirely different things. Up until 1914 we had less than 100 planes, while Europe had over 1,000 and was acquiring more at the utmost capacity of her factories. Once again, Europe had picked a dark horse. Once again, America had kept her money in her pocket.

American manufacturers had not been asleep though. Ever since and even before the war broke out, they had been busy developing new ideas in engines and planes. The Wright-Martin Aeroplane Company recently delivered 450 Hispana-Suisa engines to France—a type developed right here in the United States, that is the equal of any aeroplane engine made. Moreover, some of the very latest British and French models, capable of making over 150 miles an hour, were designed in this country.

Machine Guns.

Then there is the matter of machine guns. We have enough of the heavy Benet Mercie types. It is the light, air-cooled, 600-shot-a-minute Lewis model that we need. General Sir Douglas Haig, David Lloyd George, and many others have come out openly and said it is the best gun in the world. And the war has proved that they are right. Over 80,000 are in use on the Western front alone, and have been one of the dominant factors there.

The Lewis gun, too, is an American invention. Colonel Lewis, in 1911, brought a hand-made model to Washington and exhibited it. It proved a revelation, yet nothing happened. He then went away and built four complete guns, at his own expense. These he brought to Washington and exhibited in 1912. A number of remarkable performances were made before the Secretary of War and officers of the Army, the gun firing United States service ammunition. A little later, an equally remarkable showing was made at the Signal Corps Aviation School at College Park, Maryland, when the gun was fired from an aeroplane in flight. This was the first time a machine gun had ever been so fired from an aeroplane.

After these tests, Colonel Lewis formally presented the gun to the Board of Ordnance and Fortification. And once again, as in the cases of Holland and the Wrights, the Government rejected an American invention that was afterwards to find recognition in Europe and return to us with the laurel of foreign praise.

When Colonel Lewis went abroad, in January of 1913, he took with him the four guns he had made for Government demonstration. These guns found instant favor on the Continent, and among other triumphs, Belgium took them up and the Armes Automatique Lewis was formed. This company immediately undertook the manufacture of the American gun at Liege. But the work was soon removed to the Birmingham Small Arms Company, England, where operations were begun on a large scale.

When the war came, practically the entire capacity of the Birmingham plant was turned over to making Lewis guns. And the British Government, with both Lewis and Vickers factories open to them, have produced at least six times as many Lewis as Vickers guns. In fact, the demand for this gun has been so great that the Savage Arms Company, an American firm, has been called to the aid of the Birmingham plant, and has been supplying Lewis guns to Great Britain at the rate of from 300 to 400 a week. A large Lewis gun factory has also been started in France.

Yet until our trouble with Mexico arose recently, Uncle Sam had only one of these guns, the original model. When the southern border became turbulent, Washington saw that Lewis guns were going to be needed. The Government, therefore, borrowed from Canada 350 Lewis guns, firing British ammunition. It was these guns that sent the Mexicans about their business.

PERSONAL

RUFUS S. HUDSON, who has recently been made vice-president of the Canada Permanent Mortgage corporation, and who has been general manager and a director of that company, is also a director of the Otto Higel company, and the Canada Permanent Trust company, besides being president of the Land Mortgage Companies Association. He is well and prominently known in business, financial and club circles in Toronto.

GEORGE H. SMITH, superintendent of branches and secretary of the Canada Permanent Mortgage Corporation, has recently been on a tour of inspection in Western Canada. To the British Columbia Financial Times at Vancouver, Mr. Smith stated that he was exceptionally well pleased with the mortgage situation in the West. The large returns of the last two years from prairie stock had brought farm mortgages right up to date with collections in excellent condition. He noted a turn for the better in British Columbia. Cessation of construction and growing population have reduced the number of vacant houses and this had very much improved the mortgage situation in urban districts.

WILLIAM A. MATHESON, who has been made a director of the Lake of the Woods Milling Company, to fill the vacancy caused by the death of the late Robert MacKay, is the general manager of the concern. He is also president of the Medicine Hat Milling Company, and the Sunset Manufacturing Company, besides being a director of the Keewatin Milling Company, Canada Securities and Standard Trusts. He is one of the many of Ontario's young men who went West in the early eighties, settling in Manitoba, where he later engaged in the grain business with the Ogilvie Milling Company. Some years later he joined the Lake of the Woods Company. He is well known in business circles in Winnipeg and in his leisure hours, which are not very many, he displays an ardent interest in sports of all kinds.

ADAM SHORTT, C.M.G., M.A., who has been appointed Chairman of the Board of Historical Documents, has for some years held the chairmanship of the Civil Service Commission, and is one of Canada's high authorities on economic subjects. He has recently returned from Western Canada having acted as a commission of inquiry in the dispute concerning the British Columbia Electric Railway. He also on the occasion of this trip investigated the street railway situation in Calgary and in Winnipeg. A graduate of Queen's University, he completed his education at Glasgow University and Edinburgh University being appointed assistant professor in philosophy at Queen's in 1885. Later becoming a lecturer in political science at Queen's, he was made professor of the department in 1892 and continued until 1908 when he was made Minister of the Civil Service of Canada. He is very highly regarded in the field of economic philosophy and political science and has acted on a number of important boards of inquiry and commissions besides being the author of a number of valuable educational works.

JOHN McDONALD, who has been appointed manager of the Montreal office of the National Trust Co., has been in the service of the company since 190, joining the Montreal staff about the same time as the late Captain Percival Molson, M.C. Mr. McDonald and Capt. Molson were classmates, and both graduated in arts at McGill in 1901, and after several years of varied business experience came together again in the office of the National Trust. Capt. Molson was secretary, and later manager, while Mr. McDonald succeeded to the secretaryship when Capt. Molson became manager in 1913. When Capt. Molson went to France Mr. McDonald assumed charge of the office, and his appointment as manager fills the vacancy left by that gallant officer's untimely death.

CHARLES C. BALLANTYNE, who has been made Minister of Public Works in the Borden Union Cabinet, is prominent in the business and industrial life of Montreal. He is best known through his connection with the Sherwin-Williams Company of Canada, of which he is vice-president, and was for many years managing director; he is also a director of Canada Cement, Canadian Explosives, and Merchants Bank, besides being interested in a number of other industrial and financial enterprises. Born at Colquhoun, Ont., he entered the employ of a paint concern in Montreal as a boy, and later, becoming connected with the Sherwin-Williams Company, he worked up through the sales managership and general managership to the position of managing director and office of vice-president. He has always taken a live interest in the Canadian Manufacturers Association, and is a past president of that organization. He is also a member of the Montreal Harbor Commission. His political tendencies have been regarded as Liberal, and he has been a staunch advocate of a thoroughly Canadian tariff. In military affairs he has taken a keen interest, and since the outbreak of the war he has been colonel commanding a battalion which he recruited and accompanied to England.

JAMES J. HILL at the time of his death had less than half of his wealth in railroad. Of railroad stocks he owned roughly $7,000,000 in market value, and of railroad bonds something like $16,000,000. It was no secret at the time that he reduced his railroad holdings, chiefly of Northern Pacific, in order to buy control of the First National Bank of St. Paul. The remainder of an estate appraised at $60,000,000 consisted almost entirely of bank stocks, including the First National of St. Paul and considerable holdings in three New York and two Chicago institutions of first importance. Mr. Hill frequently remarked to his friends that he regretted not having realized earlier in his life the greater importance of banking as compared with transportation in the development of a new country. The question he thus raised is perhaps less interesting in itself than the light his utterance throws on the man's amazing power at an advanced age to turn his mind into new fields. Perhaps he might be understood as having made an unconscious comment upon the change which had come over railroad finance during his lifetime. Only in the few years immediately preceding his death did the Great Northern meet any obstacles to the sale of its stock on a large scale or of its bonds on a low interest basis to obtain means of expansion. It is more likely that what Mr. Hill had chiefly in mind was the farmer's credit, and the promotion of his operations and his welfare through loans at comparatively low rates. It is no disparagement to Hill as railroad pioneer that his restless energy moved on from the sphere of his greatest success, seeking other and still larger opportunities of achievement.

GREAT PROSPERITY AHEAD.

"I am convinced that this country is entering a period of great prosperity, probably one of the greatest ever experienced. I base this idea on developments taking place in the Western business community. We are experiencing a strong demand for money, not only for crop purposes and for government financing, but for industrial purposes. Industrial concerns which have taken government contracts and are expanding their plan capacities in order to fulfill these contracts are looking to banks to finance them. Naturally, here in the West, when the proceeds of the Liberty Loan were being disbursed in the East, we felt the drain; and as our Western concerns were not getting their share of the government's business, the business effect was depressing. The government evidently is realizing the wisdom of distributing these contracts widely and the question of delivery is another factor entering into that."—Arthur Reynolds, Vice-President Continental & Commercial Bank.

BOOKS RECEIVED

O. Howard Wolfe, of the Philadelphia National Bank, is the author of a convenient manual of 270 pages on "Practical Banking," just published. The purpose of the book is to set forth in a clear and practical manner the internal operations of a bank. It explains the underlying principles of banking and of the every-day transactions that are common to the various kinds of banks.

In the study of practical banking the method should be from the bottom up—not from the top down. The simple operations should be understood first, and this is the plan adopted here. However, the book does not stop with the details. Mr. Wolfe, while having succeeded admirably in producing a book adapted for practical guidance in banking routine, has gone further. He has supplied the scientific basis without which a volume of this character would degenerate into a mere book of forms that would soon become obsolete.

The scope of the treatment is very comprehensive. The minutiae of every department of the modern banking institution are analyzed; their broad relationship to the bank as an entirety is pointed out, and furthermore the broader relationship of the bank to the community at large.

Mr. Wolfe has had a varied experience; as a detail man he is amply capable of discussing practical procedure; as a banking executive he can speak authoritatively on the relation between detail and general banking principles; as former Assistant Educational Director of the American Bankers' Institute he has proved his value as an educator. The book is published by the LaSalle Extension University, of Chicago, as part of the material of their new course in banking.

HOW THE DOLLAR IS DECLINING IN POWER

Effects of War-time Inflation Are Far-reaching, and the Future is Clouded in Uncertainty.

Written for THE FINANCIAL POST by Agnes C. Laut.

There is a phrase going the rounds just now that is bound to acquire deeper and deeper meaning as the war goes on—it is the Diminishing Power of the Dollar. It was observed in spite of this country having become the "Bank of the World" that dollars were at a slight discount in Europe. When the reason for this was sought, Americans suddenly sat up and realized that the dollar was at a still greater discount right here in America. That is—the dollar purchases less to-day than it did before the war.

Perhaps the best illustration of the diminishing power of the dollar is in a table compiled by a financier of Buffalo. Compared to 1900, the dollar's purchasing power was only 82.2 in 1914, 66.4 in 1915, 51.4 in 1916, 50.3 in February of 1917, 48.5 in March of 1917, 46 cents in June of 1917, and it is still declining.

The best way to realize what that means is to take some basic supply like wheat or flour, and figure how much of it the dollar would buy. In 1900, roughly the dollar would buy a quarter of a barrel of flour, or one-and-a-fifth bushels of wheat. By 1917, the dollar would buy only a fourteenth of a barrel of flour, or half a bushel of wheat. Its power to purchase had diminished. Its power to buy labor had diminished; but its power to pay pre-war debts had increased; for you get twice as many dollars for everything you have to sell, whether labor, or land, or bushels of wheat.

Effects of "Inflation"

Two big basic reasons are given for the diminishing power of the dollar; and both are implied in the term—inflation. By inflation one set of thinkers mean that while we have no more commodities than usual, we have twice and three and four times as much gold as in former years. For war exports only, we have drawn back in the country two billions of gold. The other thinkers hold that the power to issue unlimited paper currency has cheapened the value of coin money. To these two causes should be added a third—consumption has outstripped production; so while we seem to be producing enormous crops of food, we are called on to feed more enormous quotas of population.

How accurate these various explanations are, I do not know. We all do know that the purchasing power of the dollar has diminished; and the question is—when money tightens—as tighten it must after the war, as, indeed, it has begun already to tighten—will commodities and labor cheapen? Will it be harder or easier to pay debts? Should debts be carried over to be paid when the purchasing power of the dollar goes back to the dollar, or should they be paid now when the dollar is worth only 46 cents?

The Uncertainties Ahead.

I asked two big financiers that question and their answer was they were paying debts now and battening down hatches against storms in the future. One put it very clearly this way: "If I had owed $1,000 on a piece of land before the war, it would have required over 1,000 bushels of wheat to have paid that debt. Just now, I could pay the debt with 400 bushels of wheat and the corresponding lessened cost of labor for a smaller acreage of wheat. To-morrow, say in 1921, when wheat recedes to 80 cents, it will require 1250 bushels of wheat to pay the debt; and meanwhile, I shall have paid more interest on that debt. I think that comparison could be carried out concerning every undertaking any business man is contemplating. Now is the time to pay debts and avoid contracting more, when commodities are dear and money is cheap. Later, when commodities are cheap, and money dear, and you have the money, is the time to undertake new ventures and buy commodities."

The Federal Reserve Banks have issued a chart of the country's business. Except in munition centres—business is not as usual. Business is marked "careful" and "conservative." It may be added that in *The Economist*, Sir George Paish is warning England of the very same perils of inflation and 'business as usual'. As told in a previous issue, there is still an undercurrent of peace below the surface of things, not 'peace at any price', but peace that must soon be inevitable.

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EFFICIENT USE OF FUEL

Some Interesting Phases of a Problem Which is of Direct Concern to Canada.

The action of United States Fuel Administrator Garfield in stopping all shipments of coal into Canada from American lake ports has served to again bring to the public mind the rather serious outlook from an economic and industrial standpoint for this country in relation to a fuel supply for both heating and manufacturing purposes. This in addition to the more immediate problem of supply for current needs, a problem which is largely the result of labor shortage and difficulties in distribution. The more general problem of the efficient use of the available fuel resources has been interestingly dealt with by F. Parkman Coffin, of the research laboratory of the General Electric company, who writes in the August issue of the General Electric Review in part as follows:

"The efficient utilization of our fuel supplies is a subject of constantly increasing importance. Interest in this subject in America has usually been confined to the advocates of the conservation of our natural resources. The fuel supply is still abundant and it has usually been cheaper to burn high-grade coal, or fuel oil, than to bother with peat lignite, or some of the poorer grades of coal containing a high percentage of ash. In some mining districts a portion of the coal is regarded as refuse for filling, or thrown on the culm piles.

"The reserves of bituminous coal and lignite in the United States are immense, but the supply of some of the higher grades, such as cooking coal and anthracite, may be exhausted during this century.

"The unrestricted use of our better grade fuels and the ruthless waste and neglect of fuels that should be of real commercial value are phases of our national extravagance that are little short of appalling. The Bureau of Mines has repeatedly called attention to the rate at which the supplies of high-grade fuel are being depleted, and the need of investigations to acertain how waste in their mining and utilization can be lessened or prevented.

"In spite of the immense resources, we are now face to face with a serious coal shortage, owing to limitations of transportation and of labor at the mines. At the same time there is an unprecedented demand for coal to operate the industries of the country and for war purposes.

"Parts of the country distant from supplies of high-grade fuel should endeavor to utilize their local resources to a greater extent than heretofore, in order to eliminate the expenses and uncertainties of transportation. Also the development of low-grade fuel deposits should be stimulated and established on a permanent basis.

"The production of high-grade coal and petroleum is more or less localized, but nearly every section of our continent has local fuel resources within moderate distances of points of consumption. Low-grade fuels are those which have a low calorific value due to the presence of impurities, such as ash and moisture. Fine screenings and dust produced in preparing certain high-grade fuels for the market may also be included, since it is often difficult to burn them on the grate, when using forced draught, even when mixed with lump coal.

"For the firing of steam locomotives, pulverized fuel offers a method of mechanical stoking that is beyond competition in all parts of the country where oil is not already in use. It also furnishes a means of utilizing neglected fuel.

"Coal can be pulverized more cheaply than it can be gasified and the first cost of a plant for drying and pulverizing is less than for a producer-gas plant. When thoroughly mixed with a blast of air in correct proportion it is practically a gaseous fuel. Powdered coal firing has most of the advantages of gas or oil firing for steam boilers, when properly applied, and in industrial heating its field of application is constantly growing."

The size of the retail automobile business is suggested by the statistics issued by the Packard Motor Car Co. These figures are compiled from reports made to the company by its branches, dealers and sub-dealers, and are exclusive of the $36,000,000 investment of the factory itself in plant, machinery and materials for production.

The Packard dealers have a gross investment of over $20,000,000 in their plants and stocks. The gross business they do amounts to $70,000,000 a year. They have 6,455 employes on their payrolls. More than $11,000,000 of their gross investment is represented by these buildings.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

RUSSIAN BONDS.

A.R.R., Ottawa.—"Will you let me know your opinion of Russian war bonds?"

With regard to Russian war bonds we have all along taken the attitude that Canadians should stick to their own or to British war securities. As it has turned out Russian bonds have proved a great disappointment to those who have invested in them. At first, we must admit, they appeared to afford an excellent speculation but then no one foresaw the revolution or the collapse of Russian power. To-day we are still uncertain as to the trend of events in Russia and in consequence cannot estimate how the bonds will act. No doubt a limit will be reached or has already been reached in the downward movement of Russian exchange and at that point the bonds would of course be a good purchase but whether the bottom has yet been reached or not is problematical.

LORRAIN CONSOLIDATED.

A.R.R., Ottawa—"Would you please let me know, as soon as possible, the advisability of buying or holding on to shares already bought of Lorrain silver mine?"

We would not care to hazard an opinion as to the future of such a speculative stock as Lorrain Consolidated. The fact that shares have been selling as low as 8¾ cents is an indication that the market does not think much at present of its possibilities. Of course if you are willing to take a chance, it is quite as good a speculation as any of the lower-priced silver stocks. Engineers, who have examined the property say that it has "promising indications" and that several veins are "worthy of exploration." It is probably the best "prospect" in the South Lorrain area, though this may not mean much, as this field has not yet become productive.

FOSTER COBALT MINING CO.

D.E.H., Montreal.—"I am a holder of 500 shares of Foster Cobalt Mining Co., Limited. Will you kindly let me know where the head office for this company is; what they are doing at the mine and, if possible, what are the prospects for the future?"

The head office of the company is in the office of John G. Kent, Confederation Life Building, Toronto, Mr. Kent being president of the company. At present the mine is not being operated. It was leased in 1915 to the Glen Lake Mining Co. and some progress was made but, owing to lack of capital, operations ceased. Now that the price of silver is so high as to make silver mining much more attractive and profitable, renewed interest is being directed towards such properties as the Foster. We have been advised that a meeting of the directors is to be held shortly to consider propositions that have been made for leasing the mine again. Judging by the success which is attending the reopening of other Cobalt properties, there seems good reason to expect that some advantage will accrue to Foster shareholders should the mine be operated once more on a satisfactory basis.

LONDON COBALT MINING CO.

Speculator, Toronto.—"Can you tell me anything about the London Cobalt Mining Corporation, Limited, in which I purchased shares in 1907?"

No information is available about this company, which seems to have disappeared years ago. A directory of Cobalt companies, published in 1910, states that the officers could not be located at that time and inquiries fail to discover any of them now. The properties owned by the corporation were not located in productive areas. The company was incorporated on January 4, 1909, with A. W. Draper, 86 King St. East, Toronto, as president.

LOOKING TO FUTURE OF RUSSIAN ROUBLE BONDS

Military Collapse and Political Upheaval Have Deferred Economic Recovery.

The fact that Russian internal rouble bonds have been extensively offered to the Canadian investing public, coupled with their unique speculative features, has served to sustain interest in the economic and financial developments which have accompanied the political and military upheavel in that country. For the time being the economic situation is so completely dependent on the military factor that the attention of the investor may be detracted from the more favorable light in which the future can be regarded. Whether the military and political situation will readjust itself in time to bring sufficient order out of the economic chaos to re-establish the rouble bonds upon a basis to bring full returns or profits to those who purchased them when they were first issued cannot be foretold.

Russia's financial difficulties have risen from the fact that she has had to make heavy expenditures for the carrying on of her military campaign, expenditures which she has not been able to meet in gold or which she has not been able to counterbalance by exports. Merchandise and securities have been bought abroad and the purchasers have, in effect, told the sellers to draw on them in roubles. Thus roubles have been sold all the time and as this gave no opportunity for a readjustment their value in foreign countries continued to decline. The rouble, of course, maintained its par value in Russia and the external bonds likewise maintained their value comparatively well. However, until Russian currency improves on foreign exchanges repayment of the internal bonds cannot be considered on a favorable basis. When the rouble bonds were first offered they presented attractive speculative features. But as has been previously intimated, these features had to do largely with the military campaign and the collapse which occurred was actually what the investor was gambling against.

Little Chance of Repudiation.

In the event of the nation's financial affairs reaching a crisis there is, of course, some chance that the internal bonds may be repudiated altogether. However, that would mean a collapse of the country's national credit which would only accompany other developments which we do not care to contemplate. On the other hand the holder of these securities should not consider that a successful termination of the war in Russia's interest will immediately mean a return to anything like a normal basis of exchange. There will naturally be improvements when the future is more clearly defined. However, the development of Russia's resources to the extent that her exports will more than pay her national obligations will come gradually and only after the investment of large sums of borrowed capital; this will not be successfully brought about until after the establishment of a government which will command a large measure of world confidence. As the war continues expenditures are not only being made on a heavy scale but both industrial and agricultural development is being retarded and the large stores of food products, the release of which it was hoped would materially help the exchange situation, are being rapidly exhausted in the maintenance of the military and civil poulation.

A Question of Credit.

Perhaps one of the most practical arguments in favor of Russia meeting her foreign obligations and protecting the foreign investor is that after the war she will require millions of new capital for the development of her resources. If she repudiates her war debts she will meet with a cool reception, indeed, in the world's money markets. This opinion is supported by an American banker who has made an exhaustive study of Russian affairs and who says:—

"I have abiding faith in Russia. The country, it is true, has an enormous debt, and things look pretty black; but there are several reasons why the nation may be expected to stand by its obligations. After the war, Russia will want to borrow hundreds of millions of dollars to exploit her tremendous natural resources. In my opinion, the big Slav nation will look to the United States for much of this money. We are, in a sense, Russia's 'next friend.' I am even ready to believe that if repudiation should actually become necessary, some discrimination would be exercised. Aside from credits obtained from the United States Government, Russia has floated two loans totaling $75,000,000 in this country. Needing hundreds of millions, and possibly billions, for war reconstruction, it is reasonable to suppose that Russia would default on a paltry $75,000,000, and thus slam shut the doors of the American money market?

"It may furthermore be significant that London, international money market for years without number, quotes Russian sterling bonds on a 7.65% to 7.50% income basis. The same income basis on the 5½'s quoted in New York would mean a price above 90.

The idea that a gradual readjustment to a more healthy economic and financial basis must be expected is borne out by the opinion of the future position formed by a representative of the A. B. Leach & Company, who has been travelling in Russia and who has been in touch with the leading financial powers in the new republic. He says:

"Imports will continue; exports will commence on small scale.

"Gradually the home industry will be able to prevent imports of such things as can be produced here, such as coal, iron, steel, minerals, etc., and once agriculture is in full swing again we may look for large exports.

"And these exports will be increased by the enormous quantities of timber and minerals and oil Russia can export and thus turn the trade balance largely in favor of this country.

"The rouble will again improve, and gradually work back to normal.

"That to me seems the logical analysis of the present economic twilight.

"Gradually, but slowly, things will develop and gradually, but slowly, the rouble improve and those who have bought Russian bonds will have a very fair chance of making a great deal of money gradually, whilst having an investment as good as gold, though payable in paper.

"I apologize whenever I put the question of repudiation. The answer is: 'Not a ghost of a chance.' I am saying this on the highest authority. No repudiation of any exterior, and certainly not of any interior loan. The Russian government has at stake its credit which is just as good as that of the U.S.A., and it has to borrow a great deal of money in the future.

STRENUOUS MEASURES NEEDED

In reprinting in full the article on Montreal's finances which Controller E. W. Villeneuve contributed to THE FINANCIAL POST two weeks ago, the Bond Buyer of New York offers this opinion on the situation.

"But even if Montreal is only temporarily embarassed it would seem to be quite clear that some strenuous measures must be initiated at once if her credit is not to be permanently impaired by the necessity of forcing the holders of maturing bonds to accept compromise terms in settlement of their claims.

"When New York City found itself in trouble over the millions of European held revenue bills maturing just after the war started, the bankers came to the rescue, but they were not satisfied merely to charge a stiff rate for the accommodation. They saw an opportunity to make this spendthrift municipality mend its fiscal ways, and before the $100,000,000 loan was floated the city had agreed to adopt the pay-as-you-go policy.

"Why not some such treatment in the Montreal instance? Controller Villeneuve says that, with a few changes in financial administration, Montreal would in a short time not only wipe out its annual deficits, but would gradually clear off its heavy debt, and place itself in the position of the strongest city in Canada."

CURRENT OPINION

HOW ABOUT THE FARMER AS A PROFITEER?

Commercial West.

At last week's Non-partisan League meeting the most frequent demands were for "conscription of wealth," "taxing of all war profits," and "squelching of the profiteers." Not a word was said about the farmer's profits or his record as a profiteer by these self-appointed spokesmen for the farmers.

It is estimated that the farmers' profits on this year's crops will total nearly two billions, and since the war started, farmers have made war profits aggregating six billions. In all fairness, why not use these profits for war taxes as well as from all other industries?

American business men are responding loyally to all calls for patriotism in spite of the discrimination of our Federal legislation against the business interests and in favor of the farmer. The business men are giving liberally of their time and energy to prosecute the war. On what grounds does the farmer presume to evade his due share in bearing the burdens of this great war?

INVESTIGATION BEFORE INVESTMENT.

Wall Street Journal.

An inexperienced investor came to a Wall Street man a while ago and asked his opinion about a certain stock. The balance sheet of the company showed an apparent excess of current assets over current liabilities of $2,800,000, and the profit and loss surplus was about $2,000,000, or 20% of the outstanding $10,000,000 capital stock. Advances to affiliated companies were included as part of the current assets, and amounted to more than $2,400,000, and other assets in part consisted of "investments" valued at $4,000,000. On inquiry it was learned that the advances had been used by the subsidiary companies in undertakings which had proved unprofitable and that the probability of repayment was, to say the least, dubious, inasmuch as the capital of the subsidiaries was merely nominal, most of their activities being financed by loans from the parent company. The working capital, therefore, instead of being $2,800,000, was less than $400,000. Furthermore, it was learned that the investments valued at $4,000,000 had depreciated so that their present value was about $2,200,000. In other words, the balance sheet, instead of showing a surplus, should have shown a deficit of about $2,200,000 on a revaluation of the assets. The Wall Street man took the occasion to point out from this example the desirability of buying only into companies about the honesty and conservatism of whose management there was no doubt, and the investor went away, impressed with the importance of investigating before investing.

Working Capital

That all-important factor in a company's position.

As an investor or trader in Canadian listed stocks you should know the ratio of current assets to liabilities and the ratio of net working capital to the stock outstanding.

These items with many others equally interesting are given in our new edition "Analysis of Canadian Stocks."

Sent free on request.

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HELPFULNESS OF FRANK STATEMENTS.

Enderby (B.C.) *Press.*

The *Press* always has felt that its readers were men and women—broad enough in mind, and penetrating enough in intellect, to recognize a statement of fact, even if it did disturb their preconceived ideas. We have endeavored to give as clear an understanding of war conditions and facts and issues growing out of it as we were capable of, and more particularly to disabuse the public mind of the idea that everything was rosy for the Allies. We have frankly told facts as they have appeared to us. Often these facts appeared in the face of most optimistic reports from the news bureau of the War Office, and they have not pleased a small proportion of our readers, who, by-the-way, have somehow acquired the idea that the local newspaper should express their conception of facts and not actual conditions. Of course, this idea is a very foolish one, as may also be the idea of *The Press* that its mission is to speak plainly its impression of actual conditions as it finds them. But, thank the Good Lord, there are not many of our readers who allow this idea to get possession of them. We have daily many substantial proofs going to show that *The Press* holds the confidence of its readers; and we have now and then events transpiring which have fully borne out the position taken by us, and for which we have been criticised by a very few, who borrow the paper and read it for flaws, not for news.

WASTING THE PEOPLE'S MONEY.

Medicine Hat *News*

Independent in politics, with a natural inclination toward the business interests which control the Borden government and the Conservative party, *The Financial Post* of Canada cannot be considered a rabid opponent of the present administration at Ottawa. However, there are some things *The Post* cannot stand, and one of these is the constant wasting of public money by the government, especially in the Public Works department, of which Bob Rogers was, until very recently, the presiding genius.

Speaking of certain charges which it published and which will be found in to-day's issue of *The News, The Post* says, in its issue of September 15th:—

On the opposite page will be found a charge of business incompetency against the department at Ottawa responsible for the rebuilding of the Parliament Buildings. It is that inferior material of American make is to be used for the plumbing system at a price one hundred and fifty per cent. higher than the better equipment made in Canada. It is bad that money should be wasted in the United States. The amount involved will not make a dent in Canada's financial standing, but there is evidence of a laxness in the administration of public funds which gives eloquent support to the demands which *The Financial Post* has been making for the handling of the nation's business by capable and competent business executives rather than by opportunists and politicians.

THE FARMER'S PROFITS.

Boston *Commercial.*

If it requires five bushels of wheat to make a barrel of flour, we are at a loss to understand how the price of flour can be reduced by Mr. Hoover below $10 a barrel if the minimum price of wheat is $2 a bushel. We are open to conviction on this point.

It is claimed that it is necessary to fix the minimum price of wheat at $2 per bushel in order to encourage its raising. The best informed people in the grain business figure that the cost of raising a bushel of wheat does not exceed 65 cents, which gives the farmer over 200% profit at $2 per bushel.

Now wheat is a prime necessity of life in sustaining our armies abroad as well as feeding our people at home; but there are other things which are also necessary for the conduct of a successful war. If 200% profit is fair for the farmer, why not for the steel manufacturer, the copper and zinc producers and the manufacturers of other commodities of common and necessary use?

Fixing a minimum price for wheat permits the farmer to hold his wheat for any price that by combination he may be able to demand. At a time when the general attempt is to fix maximum prices, the singling out of a given line for fixing a minimum price savors of politics and all the excuses which are offered cannot smother the aroma.

JUST ISSUED

1917-1918

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A BOOKLET EXPLAINING THE PROCEDURE IN THE MAKING OF PURCHASES AND SALES OF SECURITIES AND GIVING THE LATEST AVAILABLE INFORMATION ABOUT THE MORE PROMINENT CORPORATIONS WHOSE SECURITIES ARE LISTED ON THE EXCHANGES OF CANADA.

We shall be glad to send a copy on request.

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Do not fail to visit Jasper and Mount Robson Parks with their wonderful mountains, gorges, glaciers and cataracts.

Here the protection given to game has increased the quantity and reduced the fear of man. Mountain sheep and goat, the most wary of animals, are seen feeding on the hills, and coming down to the railroad in view of passing trains.

For further particulars see our booklet "The Canadian Northern Rockies," or apply the General Passenger Department, Montreal, Que.; Toronto, Ont.; Winnipeg, Man.

CANADIAN NORTHERN RAILWA

NEWS OF THE BOND MARKETS

NEXT WEEK SEES START MADE AT BIG CAMPAIGN

Organizers Will Proceed Into Each County and Get Offices Opened.

OTHER BUSINESS DROPPED

Municipalities Will Be Mad to Float New Issues During the Continuance of the War Loan Campaign.

With the near approach of the time for the putting into operation the plan of campaign for floating the next war loan, the general bond market is becoming increasingly dull. There is practically no business being done in municipals and next week, when the bond dealers' organizations are definitely taken over by the Government, buying and selling will cease altogether. This condition will then prevail until the war loan campaign is concluded. It is a situation unique in the history of the Canadian bond business and its outcome will be watched with the keenest interest.

The official announcement regarding arrangements for the selling of the new war loan is being delayed, pending the clearing up of certain details. Meanwhile it can be stated that all plans are moving along satisfactorily. The field, so far at least as the province of Ontario is concerned, has been definitely divided, and organizers have been named for each county and larger city. These men will enter upon their active duties in the field next week.

The publicity campaign, which is to form so important a part of the undertaking is making good headway. Expert ad writers have been busy preparing copy and this week a selection of the best examples from a large array of suggested designs has been made. Some of this matter is already in type and all will be ready to start the preliminary educational campaign some time within the next two or three weeks. The publicity bureau of the Canadian Press Association, which is to feed the newspapers with reading matter bearing on the loan, has already engaged the services of writers well qualified to tell the public all about it in entertaining and persuasive style.

Fate of Other Issues.

It must be obvious that with the staffs of the bond dealers taken over practically in their entirety and each man devoting all his efforts to war loan business, there will be no chance for municipalities to place issues during the next month and a half or two months. The government will not likely impose any definite restrictions on bond dealers in this connection but the very fact that they are being paid by the government for their services complete, will make it impossible for them to handle other business. Municipalities should therefore take warning that it is useless to attempt to float new issues during the continuance of the war loan campaign.

As already indicated each county is to have an organizer who will take up his headquarters in the county town or other suitable centre. He will secure at the outset the services of an advisory committee, composed of prominent business men headed by a chairman who will be requested to accept the position by the Finance Minister himself. It will be the duty of the organizer to secure suitable office space, arrange for canvassers, compile lists and otherwise prepare for the campaign.

Headquarters for the Dominion will be located in Toronto, where space for the purpose has been secured in the old head office of the Metropolitan Bank in the Canada Life Building. It is likely that provincial headquarters will also be located here while the county of York and city of Toronto headquarters will be in the old Quebec Bank building and in the old Royal Bank building. A large staff will be necessary to man these offices and, not only will the office staffs of the local bond dealers be requisitioned but outside help as well will have to be enlisted.

Post Office Co-operation

The post office department will cooperate in placing advertising matter in the hands of all possible subscribers, the object being to advise people, before the canvassers come round, concerning the loan. In like manner everybody will receive a prospectus and application form and in this connection it is interesting to note that there will be attached to the application form, a blank cheque which can be filled in by the subscriber. This will make it exceedingly convenient for everybody with a bank account to buy a bond.

The general plan of campaign is so complete and, yet so simple in its basic idea, that it gives every promise of being a huge success. Predictions are freely offered that the $200,000,000 mark will be reached, while some sanguine prophets actually go so far as to say that the sale will reach $300,000,000.

It has been definitely decided that the loan will be known by the same title as the last British loan, viz., the Dominion of Canada's Victory Loan.

AT LOW LEVELS.

Bond Prices on New York Stock Exchange at Low Record.

Bond prices on the New York Stock Exchange dropped during the past month to the lowest level recorded since the Exchange re-opened in December 1914. The combined bond price index of 40 representative bonds, as reckoned by Dow, Jones & Co., stood at 73.85 for September, as against 75.40 in August and 76.10 in July. These indices are compiled from the yields of the average prices of the bonds for each day of the month, the average of yields being capitalized at 4% to give the index. Only rails, public utilities and industrials are included, not municipals..

SELLING SCHOOL BONDS.

Ontario's Premier Gold Producing Township Thinks of Education.

The township of Tisdale, within the limits of which are located the towns of South Porcupine and Timmins and all the big producing mines of the famous Porcupine gold camp, is not overlooking the needs of education. Two bond issues to finance the requirements of school sections numbers one and two are being offered for sale by tender on October 13. These issues, for $23,000 and $10,000 respectively, bear interest at 6% and are repayable in 15 equal annual payments. It is scarcely necessary to point out the sterling value behind these issues. The Porcupine gold camp has advanced far beyond the prospect stage and is an established gold-producing district, with a long life ahead of it. Not only have immense sums of money been invested in mining and milling plants but a large and increasing revenue is being derived from the mines. Figures published elsewhere in this issue show how the assessment is increasing and how very small comparatively is the debenture indebtedness.

LONDON DEBENTURES.

Successful Sale of City Bonds Was Made Locally.

During the month of September, the city of London succeeded in selling locally two issues of bonds aggregating $85,000 and it is expected that another block of $100,000, authorized last January for the London Railway Commission, will be offered for sale shortly.

Approximately $2,000,000 of the city's debentures yet remain unsold, but on these short term loans have been made. On $1,300,000 a three-year loan was made two years ago. This falls due next summer, and another loan will probably be made on the same conditions. Several weeks ago a five-year loan on $760,000 worth of debentures was negotiated in Toronto.

WINNIPEG WATER DISTRICT.

Contracting Firms Offers to Take Bonds in Payment for Work.

At a recent meeting of the Greater Winnipeg Water District Board, an offer from the Winnipeg Aqueduct Construction Company was considered. This was to the effect that the company was prepared to take in payment for future work, $400,000 of 5-year, 5%, water district bonds, provided these were awarded on the same basis as that on which the recent $4,000,000 issue was placed with the Toronto syndicate, viz., 90.68.

The board majority did not favor the proposal, claiming that the company ought to be content with the investment as offered to the general public, that is, on the basis of a 6¼ per cent. rate, the other one per cent. being brokerage.

Mr. Waugh thought, and he said the Bank of Montreal also advised, that to take up the company's offer would be "good business." He was told to offer the bonds at the public price and report results to the special meeting of the board to be held later.

It was reported at the meeting that of the $4,000,000 bond issue, all had been sold except about $88,000.

FEATURES OF SECOND LIBERTY LOAN IN U.S.

Interest Attaches to Provisions Being Made For Conversion.

BONDS WITH FOUR COUPONS

Terms of Payment Are Made More Severe, Only Four Instalments Being Allowed as Compared With Five Before.

As the Canadian war loan campaign will in a sense be a continuation of the present Liberty Loan campaign in the United States, the progress of the latter is of immediate and vital interest to Canadian investors. Several interesting features in connection with the second Liberty Loan are brought out in the statement issued by Secretary of the Treasury McAdoo, on the eve of the flotation. Secretary McAdoo is quoted as follows:—

"The bonds will be offered as before at par and accrued interest, and will be in denominations of fifty dollars and multiples thereof.

"The bonds shall be exempt, both as to principal and interest from all taxation now or hereafter imposed by the United States, any State or any of the possessions of the United States, or by any local taxing authority, except (A) estate or inheritance taxes, and (B) graduated additional income taxes, commonly known as sur-taxes, and excess profits and war profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds and certificates authorized by said act, the principal of which does not exceed in the aggregate $5,000, owned by any individual partnership, association or corporation, shall be exempted from the taxes provided for in clause (B) above.

"If a subsequent series of bonds (not including United States certificates of indebtedness, war saving certificates, and other obligations maturing not more than five years from the issue of such obligations, respectively) bearing interest at a higher rate than 4 per cent. per annum shall, under the authority of said act approved September 24, 1917, or any other act, be issued by the United States before the termination of the war between the United States and the Imperial German Government (the date of such termination to be fixed by proclamation of the President of the United States) then the holders of bonds of the present series shall have the privilege, at the option of the several holders, of converting their bonds, at par, into bonds bearing such higher rate of interest, at the issue price of bonds of such subsequent series, not less than par, with an adjustment of accrued interest.

As to Convention Privilege.

"Such conversion privilege must be exercised, if at all, at any time within the period, after the public offering of bonds of such subsequent series, beginnings at the date of issue of bonds of such subsequent issue, as such date shall be fixed in such public offering, and terminating six months after such date of issue and under such rules and regulations as the Secretary of the Treasury shall have prescribed.

"The bonds to be issued upon such conversion of bonds of the present series shall be substantially the same in form and terms as shall be prescribed by or pursuant to law with respect to the bonds of such subsequent series, not only as to interest rate but also as to convertibility (if future bonds be issued at a still higher rate of interest) or non-convertibility and as to exemption from taxation, if any, and in all other respects, except that the bonds issued upon such conversion shall have the same dates of maturity, of principal, and of interest, and be subject to the same terms of redemption before maturity, as the bonds converted; and such bonds shall be issued from time to time if and when and to the extent that the privileges of conversion so conferred shall arise and shall be exercised.

"If the privilege of conversion so conferred shall once arise, and shall not be exercised with respect to any bonds of the present series within the period above prescribed, then such privileges shall terminate as to such bonds and shall not arise again though again thereafter bonds be issued bearing interest at a higher rate or rates than 4 per cent. per annum.

Two Per Cent. on Application.

"Subscription for the bonds must reach the Treasury Department, Washington, D.C., a Federal Reserve bank or branch thereof or some incorporated bank or trust company in the United States (not including outlying territories and possessions) on or before the close of business October 27, 1917. The applications must be accompanied by a payment of 2 per cent. of the amount applied for, and subsequent instalments upon bonds will be due as follows:

"Eighteen per cent. on November 15, 1917.

"Forty per cent. on December 14, 1917.

"Forty per cent. on January 15, 1918.

"On the latter date accrued interest on the deferred instalments will also be payable.

"I am very glad to be able to announce that by authorizing the engraving of these bonds with only four coupons attached instead of the full number of fifty coupons, it will be possible to have the actual bonds ready for delivery as soon as full payments are completed, thus avoiding the trouble and delay incident to the issue of interim receipts or temporary bonds. On and after November 15, 1919, the holders of the bonds will have opportunity to exchange them for new bonds having attached thereto coupons

Continued on page 13.

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5% DEBENTURE

Ask for Booklet "About Debentures"

Paid-Up Capital	$2,410,925.31
Reserve - -	685,902.02
Assets - -	7,426,971.18

THE GREAT WEST PERMANENT LOAN COMPANY

WINNIPEG TORONTO
VICTORIA REGINA CALGARY
VANCOUVER EDMONTON
LONDON, ENG. EDINBURGH, SCOT.

HAROLD F. RITCHIE & COMPANY, LIMITED

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 14th day of September, 1917, incorporating Robert Dunn Moorhead, Leopold Macaulay and William Thomas Sinclair, Solicitors, Ethel May Drake, Stenographer, and William Henry Cecil Brien, law student, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To purchase, acquire and take over as a going concern the business now carried on at number 10, 12 and 14 McCaul Street, Toronto, under the style of firm of Harold F. Ritchie and Company, Limited, and any or all of the assets and liabilities of the proprietors of that business in connection therewith; (b) To carry on business as Manufacturers' Agents; to carry on the business of wholesale or retail merchants and to manufacture, purchase or otherwise acquire, hold, own, sell, assign, transfer, invest, trade, deal in and with goods, wares, merchandise and property of every class and description; (c) To apply for, obtain, purchase, sell, assign, lease, operate, hold, own, use, deal in or with patents, industrial designs, trade-marks or trade-names, secret processes and the like; (d) To carry on any other business which may seem to the company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of the company's property or rights; (e) To hold, own, sell, assign and purchase the stock of other companies; (f) To pay the expenses preliminary to the formation and establishment of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Harold F. Ritchie and Company, Limited," with a capital stock of six hundred thousand dollars, divided into 6,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 18th day of September, 1917.

THOMAS MULVEY,
Under-Secretary of State.

McLaughlin, Johnston, Moorhead and Macaulay,
Solicitors for Applicants.

War Time Investments

On account of the conditions created by the war, municipal bonds are now available at rates to yield considerably more than bond investors have ever been accustomed to receive.

Short term bonds exempt from excessive fluctuation.

Long term bonds assuring the investor of a high yield on his investments for a period of 30 to 40 years.

Our List Offers Exceptional Opportunities.

CITY OF VERDUN, P.Q.

A 5½% ten-year bond of a well governed, prosperous city of 28,000 population, adjoining the metropolis of Canada, and of particularly good financial standing.

TOWN OF MONTREAL-SOUTH

A 5½% Five-year Bond of one the four towns—Longueuil, Montreal South, St. Lambert and Greenfield Park—which will eventually unite to form a city appropriate to the rapid development of the South Shore of Montreal.

TOWN OF GREENFIELD PARK

A 6% Bond of thirty-year maturity, issued by a town which will immediately benefit by the erection of a big plant by the largest cotton mills in Canada, the Dominion Textile Company. This plant will be built in St. Lambert, on the town limits of Greenfield Park, and will eventually employ 7,000 hands.

TOWN OF GRAND'MERE, P.Q.

Another long term 5½% bond of thirty year maturity—issued by the home town of the Laurentide Company. A thriving municipality of 8,000 population, with considerable water power and timber limits to insure its prosperity.

PARISH OF ST. ARSENE

A City of Montreal thirty-nine year, 5½% Fabrique Bond. One of the best securities available under the laws of the Province of Quebec. Fabrique taxes have priority on municipal and school taxes.

PRICES: All of the above bonds are available at rates to yield

Over 6%

ASK FOR FULL PARTICULARS.

RENE-T. LECLERC
INVESTMENT BANKER
160 St. James Street Montreal
Telephones: Main 1260 and 1261

WE OFFER

$30,000.00

Maritime Coal, Railway & Power Co., Ltd.

First Mortgage 6% Gold Bonds
Due 1st April, 1934
Denomination $500.00

PRICE ON REQUEST

Beausoleil, Limited
263 St. James Street
Montreal

Canada Permanent
Mortgage Corporation
Toronto Street, Toronto

Established 1855

Paid-up Capital - -	$6,000,000.00
Reserve Fund (earned) -	5,000,000.00
Investments - - -	32,264,782.81

DEPOSITS

The Corporation is a
LEGAL DEPOSITORY FOR TRUST FUNDS

Every facility is afforded Depositors. Deposits may be made and withdrawn by mail with perfect convenience. Deposits of one dollar and upwards are welcomed. Interest at

Three and One-Half Per Cent

per annum is credited and compounded twice a year.

DEBENTURES

For sums of one hundred dollars and upwards we issue Debentures bearing a special rate of interest, for which coupons payable half-yearly are attached. They may be made payable in one or more years, as desired. They are a

LEGAL INVESTMENT FOR TRUST FUNDS

FIELD OF MUNICIPAL FINANCE

TELEPHONE ISSUES ON THE INCREASE

Economic Success of Rural Systems Has Been Amply Demonstrated.

PRESENT STATE OF MARKET

Though Unusually Large Number of Issues Have Been Authorized Not Likely to Sell Till After War Loan.

Those who have been following from week to week the reports issued by the Saskatchewan Local Government Board on the authorization and sales of rural telephone company debentures, must have been struck by the increasing lengths of the lists published during the last few months. The latest list received, which is reprinted elsewhere on this page, covers the two weeks between September 10 and September 21. It shows 49 authorizations aggregating $304,845 and 28 sales totalling $215,100. A comparison with corresponding weeks in 1915 and 1916 illustrates how substantial has been the increase both in the number and value of authorizations and sales.

Authorizations.

	No.	Amount
Sept. 13-24, 1915......	12	$92,700
Sept. 11-22, 1916......	32	212,750
Sept. 10-21, 1917......	49	304,845

Sales.

	No.	Amount
Sept. 13-14, 1915......	14	$58,900
Sept. 11-22, 1916......	18	129,200
Sept. 10-21, 1917......	28	215,100

Asked to comment on this growth D. H. Pettes, partner in Toronto bond house of W. L. McKinnon & Co., who are large dealers in Saskatchewan rural telephone company issues, said:

"The increase in the issue and sale of these debentures is simply the reflection of the proved success of the rural telephone idea. The system is an economic success. It is a boon to the farmers, particularly in these days of labor shortage, when every moment counts. The farmer, with the telephone, is saved the time he would otherwise have to spend in hitching up his team and driving to town and back. Being so serviceable, the demand for the establishment of systems has grown steadily."

"What is the present situation with regard to the sale of telephone bonds to investors?"

"As with all other bond issues, business is very quiet. The coming war loan overshadows everything else and there will be very little movement until it is out of the way."

"How have prices been ruling for these issues?"

"Lately they have been somewhat weaker. In the early part of the summer, telephone bonds were selling on about a 6½% basis. To-day they are quoted around 7%. Of course this is not as low as they were in the early days of the war, when they dropped as low as 8%."

"Has the new legislation permitting insurance companies to invest in these bonds had any effect yet on the demand?"

"Not as yet. Insurance companies are pretty well out of the market pending the war loan campaign. We anticipate a good demand, however, from this quarter, just as soon as the market returns to normal."

WINNIPEG'S PROBLEM.

Debates Question Concerning Imposition of an Income Tax

Winnipeg is perplexed over an income tax problem. It has been conceded that such a tax is desirable, but how to apply it is the stumbling block. The city council has held several informal discussions. At a meeting last week Professor Clark of the University of Manitoba, an authority on political economy, gave it as his opinion that an income tax applied to Winnipeg alone could not be made workable. So far as he could see, such a tax would be difficult to apply in such a small area, and he thought the proper course for the city to take would be to work in the direction of a provincial income tax. To some, even this might present obstacles, the only indisputable way of bringing in an income tax being Dominion wide with some arrangement for the provinces and cities to share in the benefits of the tax to an extent to be agreed upon. Personally, he favored the principle of income tax if applied on a wide enough scale.

It was explained by Leo Donley, assessment commissioner for the city, that in the state of Wisconsin the income was collected through the state organization, 70 per cent. of the collection going to the city; 20 per cent. to the county and 10 per cent. to the state, the latter being used for administration purposes. Of course, in the event of some such arrangement in Winnipeg, the city would have its other taxes, but the main point to bear in mind was that some source of new revenue must be tapped if local assessment was to be placed on a really equitable basis.

Controller Wallace asked whether by limiting the tax to incomes drawn from purely local industries—as recommended by the assessment board, it would have a tendency to direct investments into outside sources. So far as he could see it would tend to drive business out of the city. He however, was open to correction, and wanted to know the pros and cons of what he considered the most complex question that had ever faced the council.

County of Lanark awarded to C. H. Burgess & Co. its issue of $50,000, 6%, 20-instalment debentures.

No award was made in connection with the city of Ottawa's offer of $120,000, 5½% local improvement debentures, last Saturday. A few tenders were submitted but they were all considered too low.

The local Government Board considered this week an application of the city of Saskatoon for permission to credit the city's current account with the surplus earnings of the sinking fund.

The Montreal Board of Trade passed a strong resolution this week praying the government of Quebec to abolish the present form of government and substitute therefor a commission.

ALBERTA SCHOOLS.

Awards Made by Department of Education on September 19.

The following awards were made in connection with the sale by the Debenture Branch of the Alberta Department of Education of four blocks of school district bonds:—

Block No. 1, Finn's Lake, $400, 7%, 5-years to Manufacturers' Life Insurance Co. at 98.

Block No. 2, Wayne, $2,500, 7%, 10-years to Bond & Debenture Corporation at 98.

Block No. 3, not awarded.

Block No. 4, Rurals, $12,700, 7%, 10-years, to George A. Stimson & Co. at 100.03.

FEATURES OF SECOND LIBERTY LOAN IN U. S.

Continued from page 12

for the balance of the period for which the bonds will run.

"It is also expected that on or about October 10, 1917, there will be in the hands of the several Federal Reserve banks a supply of these new bonds, ready for immediate delivery to subscribers in amounts not in excess of $1,000 to any one subscriber against payment in full, thereby avoiding in such cases the trouble incident to waiting until after allotment for delivery. Plans are also perfected whereby the banks all over the country can obtain bonds for the making of prompt delivery against these small subscriptions.

An Alternative Proposition.

"As the bonds will bear interest from November 15, and as those who pay in full prior to that time will not obtain any interest on their money until that date, this is offered as an alternative proposition to those who are anxious to obtain immediate possesion of the bonds for which they subscribe. The reason this offer will be limited to amounts of not over one thousand dollars to any one subscriber is that all subscriptions in excess of this amount will be subject to allotment.

"The campaign for the sale of these bonds will open Monday, October 1, and will close Saturday, October 27. I confidently hope that when the campaign is over, it will be found that the total number of subscribers is at least ten million and the total subscription in excess of five billion dollars. Such a response would be notice to our enemies that the American people as a whole intend to support with all their power their Government in the vigorous prosecution of this war and the achievement of an early and lasting peace."

May Exceed $3,000,000,000

The bonds of the second Liberty Loan bear interest at 4% and are due on November 15, 1942, though subject to redemption at the option of the United States at par and accrued interest, on and after November 15, 1927. The exact amount of bonds to be issued under this offering will depend on the amount of subscription received. The right is reserved, in the event of subscriptions exceeding three billion dollars, to allot bonds in excess of that amount to the extent of not over one-half of the sum subscribed in excess.

There is one interesting change in connection with the bonds of the second loan. In the case of the first loan bonds, conversion is allowed into any subsequent loan yielding a higher rate of interest. The second loan bonds, however, if not converted within six months into the bonds of the next issue, lose the conversion privilege thereafter.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Oct. 13, Township of Tisdale, Ont.—$33,000, 6 per cent., 15-instalment school debentures. W. H. Wilson, Township Treasurer, South Porcupine, Ont. (See more detailed announcement, page 5.)

BY-LAWS PASSED OR DEFEATED.

Stratford.—$50,000 contribution to the Canadian Patriotic Fund passed by council, Oct. 1.

BY-LAWS TO BE VOTED ON.

Oct. 15, Outremont, P.Q.—$1,000,000 for redemption of bonds issued under By-law 118 of Jan. 30, 1915; $500,000 for improvements and betterments.

SASKATCHEWAN.

The following is a list of authorizations granted by the Local Government Board from September 10 to 21.

School Districts:—Equity, $2,000; xInstow, $1,800; Osgoode, $1,200; xHenderson, $1,600; Semans, $10,000; Wolseley, $2,300; Murial, $1,900; Bryn Mawr, $2,000; Garrett, $2,000; Duval, $7,000.

xBeing sold through the Board.

Rural Telephone Companies:—Radant, $8,900; Bangor, $5,500; Carmoustie, $2,000; Bluffview, $2,475; Colonsay, $12,000; Marcelin, $13,300; Eclipse, $10,600; Brickleigh, $9,000; Sinnett, $4,100; Luseland East, $9,800; Silver Lake, $16,800; Luseland West, $10,900; Elmsdale, $2,000; Liberty, $6,900; Vanguard South, $4,900; South Rosetown, $14,000; Prairie Lily, $4,500; Zealandia, $4,400; Biggar Cochery, $1,500; Bridge Creek, $6,300; Big Stone, $4,000; East Borden, $1,400; Clayton, $1,700; Little Quill, $6,300; Reford, $10,200; Yeomans, $12,400; Nealdale, $9,400; Prairie Queen, $3,700; Green Prairie, $5,900; Fillmore, $1,300; Riceton, $2,100; Willow Moor, $8,700; Manor, $3,600; Friedland, $3,900; South Webb, $8,100; Red Jacket, $200; Scott, $10,900; High Ridge, $7,500; Gregherd, $7,000; Adams, $1,000; South Churchbridge, $2,700; Ridgeway, $4,800; Titanic, $5,700; Avonhill, $6,400; Meota, $1,800; Pelican, $2,500; Western Edam, $17,000; Lundeen, $3,300; Southcote, $1,650.

The Following is a List of Debentures Sold from September 10 to 21,

Rural Telephone Companies.—Thornfield, $5,400 to W. L. McKinnon & Company, Regina; Blackley, $2,800 to Wood, Gundy & Company, Saskatoon; Red Jacket, $1,800 to D. McDougall, Moosomin; Clyde, $2,600; Quinton, $13,100; Clover Hill, $2,000; Marshall, $8,500; South La-Fleche, $37,600; Le Ross, $10,500 to W. L. McKinnon & Company, Regina; Holdfast, $10,000 to Kerr, Fleming & Co., Regina; Vanguard East, $10,200; Dafoe Copeland, $1,500 to W. L. McKinnon & Co., Regina; Kenaston, $7,000 to Bond & Debenture Corporation, Winnipeg; Lajord, $800 to E. Bechard, Winnipeg; Hughton, $16,800 to Kerr, Fleming & Co., Regina; Darwin, $1,500 to Bond & Debenture Corporation; Turnhill, $3,400 to W. L. McKinnon & Company, Regina; Punnichy Southern, $6,500 to Nay & James, Regina; Echo, $900 to W. L. McKinnon & Co., Regina; Theodore Whitesand, $6,300 to Bond & Debenture Corp., Winnipeg; Tessier, $2,000 to E. J. Young, Tessier; Rockhaven, $2,000 to W. L. McKinnon & Co., Regina; Cactus Lake $26,100 to J. A. Thompson, Winnipeg; Loghery $3,900 to Grand Lodge A.F. & A.M., Regina; Salvador, $18,500 to Nay & James, Regina; Lac Pelletier, $3,100 to T. D. Rourke, Regina; Vanguard South, $4,900 to W. L. McKinnon & Co., Regina; Dewdrop $5,400 to M. L. Brown, Expanse.

Villages.—Margo, $1,500 to W. L. McKinnon & Company, Regina.

Rural Municipality.—Winslow, No. 319, $6,000 to W. L. McKinnon & Company, Regina.

BOND SALES.

$1,500 Bell Telephone at 93⅜ to 93; $500 Canada Bread at 91; $8,100 Canada Cement at 97¼ to 97; $5,000 Can. Cons. Rubber at 94¼ to 94; $7,000 Cedar Rapids at 84¼ to 84; $1,000 Dominion Cotton at 99¼; $1,000 Dominion Iron at 87½; $4,000 Dominion Textile, Series A, at 97½; $1,000 N. S. Steel at 82; $1,500 Price Bros. at 81¾; $8,000 Wayagamack at 81; $51,000 War Loan (1925) at 97 to 96⅝; $167,800 War Loan (1931) at 96 to 95½; $289,800 War Loan (1937) at 95 to 94½.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
Sept. 19	—Finn's Lake, S.D., Alta.	Manufacturers' Life Ins. Co.	7%	5-yr.	$400	98.00	......
" 19	—Wayne, S.D., Alta.	Bond & Debenture Corporation	7%	10-yr.	2,500	98.00	......
" 19	—Rural Schools, Alta.	G. R. Stimson & Co., Toronto	7%	10-yr.	12,700	100.03	......
" 21	—Saskatchewan Rural Phone Co.'s..	Various (See above)	7%	15-ins.	215,100	....	......
" 21	—Margo, Sask., village	W. L. McKinnon & Co.			1,500	....	......
" 21	—Winslow, Sask., rural mun.	W. L. McKinnon & Co.			6,000	....	......
" 22	—Lanark County, Ont.	C. H. Burgess & Co.	6%	20-ins.	50,000	....	......

Credit-Canada, Limitée

Government, Municipal and School Bonds

President. Hon. H. B. Rainville
Managers { E. A. Ouimet
F. Saint-Pierre

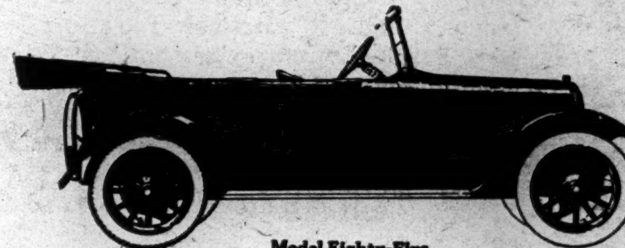
179 St. James Street, - Montreal, Canada

A NEWSPAPER DEVOTED TO MUNICIPAL BONDS

There is published in New York City a daily and weekly newspaper which has for over twenty-five years been devoted to municipal bonds. Bankers, bond dealers, investors and public officials consider it an authority in its field. Municipalities consider it the logical medium in which to announce bond offerings.

THE BOND BUYER
25 WEST BROADWAY NEW YORK, N.Y.

Overland



Model Eighty-Five

A Matter of Choice

If you are a lover of six-cylinder performance, or if your choice is a car equipped with a tried and true four-cylinder engine, you will do well to look into the merits of the Overland Model Eighty-Five.

This is the popular model that is built in both motor designs—either a Four or a Six.

Both are big, comfortable cars. The Four has a wheelbase of 112 inches—the Six 116 inches.

Both are beauties in appearance and in action. Cantilever rear springs and big, roomy seats afford solid riding comfort for five people.

If you have decided to invest in a moderately priced, real family car—one that will stand up under steady service—drop in and ask for a demonstration of this Model Eighty-Five.

Overland and Willys-Knight Closed Cars

Light Four—5 Passenger Touring Sedan—106 inch wheelbase
Model 85 Fours— { 3 Passenger Touring Coupe—112 inch wheelbase
5 Passenger Touring Sedan—112 inch wheelbase
Light Sixes— { 3 Passenger Touring Coupe—116 inch wheelbase
5 Passenger Touring Sedan—116 inch wheelbase
Willys Six—6 Passenger Touring Sedan—120 inch wheelbase
Willys-Knight—4 Passenger Four Coupe—114 inch wheelbase

The Overland Sales Co., Ltd., Distributors
94-100 Richmond St. W. Toronto

Willys-Overland, Limited
Willys-Knight and Overland Motor Cars and Light Commercial Wagons
Head Office and Works West Toronto, Ont.

Investors' Information Bureau

Any subscriber to The Post may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail.

This service is free to subscribers, but inquirers should enclose stamp for reply.

LIVING UNDER THE SHADOW OF WAR

In these dark and uncertain days, only the very best judgment should be employed in selecting investments. Sobered by the lessons of the war, sensible men and women have relinquished schemes to get rich quick by means of speculative securities and they now prefer safe investments yielding moderate interest to questionable ones with high rates. Beneficiaries under insurance policies are often perplexed as to how to invest their monies safely and profitably but the continuous monthly income policy, payable in monthly instalments throughout life, and for twenty years certain, solves the problem completely. It constitutes an automatic safe investment and is issued by

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, ONTARIO
E. P. Clement, K.C., President Geo. Wegenast, Managing Director

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
SURPLUS TO POLICYHOLDERS, $1,820,752.82
A Canadian Company Investing its Funds in Canada
APPLICATION FOR AGENCIES INVITED.

NEW RECORDS

Results secured during the past year reaffirm the position of the Sun Life of Canada as the largest life assurance organization of the Dominion.

Fair dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policyholders.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
Independent Order of Foresters
Furnishes A Complete System of Insurance
Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
Policies issued from $500 to $5,000. For further information and literature, apply to
Total Benefits Paid 53 Million Dollars
FRED J. DARCH, Secretary W. H. HUNTER, President S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - TORONTO

CANADIAN PACIFIC
THE FINEST HUNTING GROUNDS IN AMERICA
ARE CONVENIENTLY REACHED
via
CANADIAN PACIFIC RAILWAY
Moose Bear Caribou
Red Deer and Small Game
ARE QUITE PLENTIFUL
Particulars from Canadian Pacific Ticket Agents or W. B. HOWARD, District Passenger Agent, Toronto

REAL ESTATE AND INSURANCE

PERMITS SHOW INCREASES IN SEPTEMBER

Preliminary Figures For Montreal, Toronto and Other Cities Favorable.

MONTREAL RUNNING CLOSE

Toronto's Increase For Nine Months Exceeds Half a Million—How Other Cities' Stand.

In Montreal there were more building permits granted in September of last year than of this, but the aggregate value of the buildings was greater for 1917. Figures issued this week show that 128 permits were granted for buildings during the month just closed as against 146 last year. The value this year is $250,958 as against $205,456 last year.

The same statement holds good for the period from January 1 to September 30. In that period last year, 1,498 permits were granted totalling in value $3,787,919. This year the permits numbered 1,300, while their value was $3,852,665.

Toronto Ahead.

City Architect Pearse of Toronto reports that 448 permits for the erection of new buildings of the approximate value of $650,271 have been issued during the past month, as compared with 387 permits for buildings of the value of $643,272 in September last year, an increase in values of $6,999. The new buildings erected during the first nine months of this year are valued at $5,588,854, as compared with $5,008,649 in the corresponding period last year, an increase in values of $580,205. Mr. Pearse considers this is very satisfactory in view of the higher cost of materials and labor.

Other Cities.

Hamilton's general prosperity in spite of war conditions is reflected in the value of the building permits issued. For the first nine months of this year the value of the permits is in excess of the value for the twelve months of 1916. Up till October 1 of this year the building permits amounted to $2,348,790, while for the first nine months of last year the value was only $1,919,696.

Sarnia's building permits were valued at only $9,500 in September. The best showing this year was made in June, when permits totalled $120,050.

Building permits issued for the first nine months of the year in Chatham reach a total of $306,322, an increase over the same period of 1916 of $49,248. A large plant is now nearing completion for the Libby, McNeil and Libby Co., of Chicago, for which a permit will be issued later in the year.

ACTIVITY AT OJIBWAY.

Building of Houses on Large Scale to Start Shortly.

Contracts for the construction of some 150 residences at Ojibway in addition to a number of four-family flats, in which brick only is to be used will, it is expected, be awarded to Canadian contractors by the Canadian Steel Corporation shortly. This work will cost approximately $1,000,000, and is apart from the building of a long dock and a canal on the river front below Sandwich, all of which is to be a part of the new steel city. Already railroad tracks and pavements cover the new territory, and preliminary work for the construction of the docks has been under way for the past two months.

BUILDING IN HALIFAX

A Good Bit of Construction Reported From the Eastern Capital.

A good bit of building construction is proceeding at present in Halifax, especially in the residential sections. The largest job under way is the Military Convalescent hospital on Camp Hill and that is nearing completion; in fact it is expected that within a week part of the building, or group of buildings, will be occupied by convalescent men, and gradually the whole capacity will be utilized.

The contract for erection of a portion of the new St. John's Presbyterian church on Windsor and Willow streets has been awarded to Russell & McAulay and the work is being proceeded with.

The N.S. Construction Co. have the contract for erection of the new building for C. W. Outhit on Barrington street, nearly opposite the building at present occupied by Mr. Outhit. The building, 62 by 39 feet, is to be of concrete with a pressed brick, granite trimmed front. It will be three storeys in height, and will have a mezzanine floor on the first story. It will be flat roofed and is planned especially for Mr. Outhit's business.

F. L. Davidson is having another flat building erected on Larch street, and residences have been begun for J. F. Dempster, on Gottingen street; Jas. Rule, on Tower Road; Theresa O'Leary on Harvard St.; F. MacAuley, on Preston St.; Wm. Wilson on Argicola street and I. Moser.

No big deals in real estate are reported as completed, though there are one or two rumored to be pending. There have been a number of changes in ownership of small properties and some activity continues in that class of real estate.

RECENT TRANSFERS.

Houses and Farms That Have Changed Hands in Ontario Lately.

Dr. G. W. Bell has bought the Duff estate on Upper Princess Street, Kingston. The property is one of the best in the city and is the old homestead of Colonel John Duff, police magistrate for years. There is an extensive frontage on Princess Street. Dr. Bell intends to dispose of a few lots on the east side of the house.

D. A. Dunlop of Toronto is creating, near Duncan, one of the handsomest country estates in Ontario. He has bought an attractive piece of property from the Gray Estate. For some time contractors have been working on a large concrete dam on the place which will create a lake of about 25 acres area and around this Mr. Dunlop will group his various buildings.

W. K. Pudney, Montclair, N.J., has purchased an island near Gananoque from W. N. Harte of New York, the price paid being $9,000. On the island are a granite cottage, boathouse and wharves.

A fine farm in Markham Township, which has been for a hundred years in the Hagerman family, has been sold for $9,000 to Mr. Duffort of Blue Bells, Scarboro Township.

B. C. TAX SALES.

Several Are Now Taking Place in Cities and Districts.

This is the time of year when tax sales occur among the various municipalities on the coast. While the city of Vancouver has not been obliged to resort to this extremity, the same cannot be said of several districts in which the speculator was most active in what is now known as the boom days. During the next few weeks sales will be held in the municipalities of Point Grey, South Vancouver, North Vancouver, Burnaby, and many smaller districts and cities throughout the province. Realizing that the present is a most opportune time to secure properties and land, the sales held thus far have been well attended and many exceptional buys have been recorded. As a general rule the improved lots are protected by the mortgagees.

As a result of the advertised tax sale for Wednesday of last week in the city of New Westminster, the city treasury was reimbursed to the extent of over $70,000 most of which was paid in by owners not wishing to allow their lots to go under the auctioneer's hammer. The first day's sale netted the city over $7,000. The liquidator of the Dominion Trust Co. allowed two large business blocks and a third block partly finished in the heart of the city, in which the defunct company was interested, to go before the auctioneer in default of the payment of some $15,000 in tax arrears. The same action was taken with respect to a considerable number of vacant lots in which the company had also been interested. At the conclusion of the days' turnovers, the sale was adjourned until Oct. 3.

ASSESSMENTS EXPAND.

Canadian Towns and Cities Also Report Larger Populations.

This is the time of year when the results of the assessor's work are made public in many cities and towns throughout the country. It is satisfactory to find that municipalities are going ahead, both in the value of their assessed property and in the number of their inhabitants. The following reports which have been issued during the past few days show how general have been the gains.

Guelph's 1917 assessment is $11,473,635, a gain of $53,705. Population stands at 16,308, an increase of 286.

St. Catharines has now a population of 19,078, an increase of 1,161. The assessment has increased by $750,000 to $14,727,690.

Kingston's population has increased by 434 to 22,980 and its assessment by $152,299 to $13,496,126.

MERGERS ARE THE FASHION IN ENGLAND

Several Insurance Companies Have Amalgamated This Year.

TREND IS TO CONSOLIDATE

Advantages Are Enjoyed by Large Offices Transacting All Lines of Business—Can Employ Best Brains.

It is expected that an official statement will be made immediately announcing a provisional agreement for the acquisition of the shares of The Star Assurance Society by the Eagle and British Dominions General Insurance Company, states the London Times. The funds of the Star amount to about £7,700,000.

This proposed fusion is the third of the kind which the managers of the British Dominions Company have arranged within the past ten months. In December last a provisional agreement was signed for the purchase of the Eagle Insurance Company, and in May the Eagle and British Dominions—the combined company—entered into an agreement for the purchase of the Sceptre Life Association.

The present amalgamation is one of several which have been arranged among insurance offices this year. Among the combinations which have been completed or planned have been the absorption of the Indemnity Mutual Marine by the Northern Assurance, and the purchase of the Fine Art and General by the North British and Mercantile; the Car and General by the Royal Exchange; the Provident Accident and Guarantee by the Northern; The Marine by the London and Lancashire Fire; and the National of Great Britain, announced in these columns on Saturday, by the Commercial Union.

Although the trend of insurance policy for several years past has been steadily in the direction of consolidation, there have never before been arranged so many fusions within so short a space of time. The amalgamations may be attributed mainly to the advantages which large offices transacting all forms of business are considered to have over those which confine themselves to one or two forms of insurance. There is further a belief that in the keen competition it is expected after the war the largest offices will be in the best position. It is they who, as a rule, can afford to employ the best brains and are able to work the business most economically.

CARRY OWN INSURANCE.

Suggested That City of Vancouver Should Adopt This Policy.

A sub-committee of the Vancouver City Council has been appointed to confer with the Manufacturers' Association and other bodies interested with respect to fire insurance rates in the city; also to consider the question of the city carrying its own insurance by the establishment of a sinking fund for this purpose, and to report to the committee. Later, it was understood, the sub-committee might confer with the fire underwriters on the former question.

This decision was arrived at as the result of a letter received from the Manufacturers' Association with reference to Attorney-General Farris having declined to appoint a commission of inquiry into fire insurance rates paid in the province, as per the request of the City Council. The letter also referred to the announcement by the underwriters that they were bringing two experts from the East to report on the efficiency of the fire department and advised that the City Council co-operate in this inquiry.

Complaint was also made that the association has written the underwriters asking to be supplied with the data on which insurance rates in the city were based, but that the information had been refused on the ground that this data was confidential matter only intended for the information of the underwriters.

Ald. Woodside strongly opposed any proposal that the sub-committee should approach the underwriters, but Ald. Gale urged that as much co-operation as possible should be introduced into the inquiry, remarking that he believed the underwriters themselves were prepared to admit that their methods of adjusting mercantile fire insurance rates were "somewhat ancient." Ald. Miler suggested that the city should carry its own insurance and it was at his instigation that the committee was instructed to include this question in their report.

CANADIAN ORDER OF CHOSEN FRIENDS

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor. W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer. J. H. Bell, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - - - $5,000,000.00
Losses paid since organization over - - - - - - - - $65,000,000.00
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Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P. (Montreal), John Aird, Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, E. A. Robert (Montreal), E. R. Wood.
Assets, Over - - - - - - $2,700,000.00
Losses Paid Since Organization, Over - - - - - - - - $40,000,000.00

"Safety First" Ratio
A high ratio of Assets to Liabilities indicates safety of Policyholders' Funds. In this ratio
The Dominion Life Assurance Company
stands first of all companies in Canada
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If You Desire Explanations
on some phase of Life Insurance not altogether clear to you, write to The Great-West Life.
Information will reach you by return. If you wish—rates at your age and sample Policies will be included. These particulars are freely available — whether or not you have any immediate intention of taking Insurance.
Ask for "Profits 1917"—showing the high returns The Great-West Policyholders are receiving.
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Offices Throughout the Civilized World.
We Present a Record—Not a Prospectus.
Reputation gained by years of vigorous, conscientious and successful work.
Thomas C. Irving
General Manager Western Canada
TORONTO

OVER 50,000 COPIES PER MONTH

Canadians

should be thankful that our Country has a Canadian Magazine fit to take its place in the company of the big American magazines—a magazine equalling in interest and literary merit the big magazines produced in a Country of 100,000,000, where it is possible to obtain $1,000 to $5,000 a page per issue or more for advertising space.

A Magazine of Power

THE making of MACLEAN'S MAGAZINE month by month, year after year, has been hard labor. One difficulty was to get the right sort of matter—Canadian in origin and theme. A few years ago our country possessed few writers and artists of trained and high ability. To-day, thanks very largely to MACLEAN'S MAGAZINE, we have men and women writers and artists producing first-class work; they developed when they found a medium demanding a grade of work equalling the best contributors to American magazines. Also, the Canadian writers and artists who were finding a market for their wares in the United States turned to MACLEAN'S when this magazine showed itself to be a sufficient and creditable vehicle for their work.

The future has a good crop of A1 Canadian writers and artists in store, whose work will appear in MACLEAN'S; but consider these names of Canadian men and women who have already "arrived," and whose work appears in MACLEAN'S MAGAZINE:—

Sir Gilbert Parker,
Arthur Stringer,
Arthur E. McFarlane,
Stephen Leacock,
Robert W. Service,
Alan Sullivan,
Agnes C. Laut,
L. M. Montgomery,
"Janey Canuck,"
A. C. Allenson,
E. Phillips Oppenheim,
Peter McArthur,
L. B. Yates,
George Eustace Pearson,
W. A. Craick,
H. F. Gadsby,
C. W. Jefferys,
J. W. Beatty,
Arthur William Brown,
Lou Skuce.

These are some of the names of Canadian men and women—writers and artists—who are doing work of the highest class, acceptable to the hardest-to-get-into publications of the United States. Ten years ago such a Canadian galaxy had no existence.

BESIDES these professional writers and artists—men and women who depend on their pen and pencil and brush for their livelihood—is a big host of others who write only when successfully urged to do so—because they have something to say that is worth saying. These are usually men in a big way of business, or professional men at the top of the ladder, or men and women doing unusual work of a most important sort—often obscurely because they are not self-trumpeters of their achievements or labors. For example, such men and women as:—

THE LATE SIR MORTIMER CLARK
JOHN BAYNE MACLEAN
ERMAN J. RIDGWAY
LORD NORTHCLIFFE
JOSEPH MARTIN, M.P.
BILLY SUNDAY

All these have contributed under their own name or a nom de plume to MACLEAN'S MAGAZINE in the last 12 or 15 months, recognizing that this magazine can give their messages to the whole nation, and to a class of persons whom they wish to reach.

NOBODY who knows MACLEAN'S would ever call it a story magazine, but rather a national magazine—almost a news magazine. Stories there are in every issue—enough of them to satisfy the right and natural desire for romance, adventure, achievement, business, love and intrigue. But the greater part of the contents of every issue of MACLEAN'S MAGAZINE may be called **NEWS**—NEWS of men and their work and triumphs; news of the nation's work and workers; news of discoveries; news of movements; news of politics; news of the builders and building of Canada. MACLEAN'S, as Canada's National Magazine, prepared for thinking and intelligent men and women, must be an informative and interpretive magazine, must mirror national opinion, record national affairs and developments, and be the **VOICE** of prophets, statesmen and leaders. MACLEAN'S is a magazine of to-day—a newspaper of a sort, dealing with big news passed over by daily newspapers whose function is the recording of the day's news—passing news, and who leave the fuller statement—the summed-up presentation of things they can but touch on—to MACLEAN'S MAGAZINE.

News features of MACLEAN'S MAGAZINE greatly liked by its 50,000 readers are

The Business Outlook—article. The Review of Reviews Department.
The Investment Situation—article. The Nation's Business.
Women and their work.

These are regular department features appearing in every issue of MACLEAN'S. They are of the nature of surveys or digests, and perform a service welcomed and praised by all readers who aim to keep themselves broadly informed concerning what's doing in Canada, and what's being thought and said and done the wide world over.

REVIEW OF REVIEWS is the outstanding feature of MacLean's, in that it gives the best articles, in condensed form, from the best magazines of the world. A staff of trained people read and study the contents of all magazines and select for each issue of MacLean's twenty or more articles which mirror the world's progress and present the changing aspects of world opinion.

IN rounding out this presentation of Canada's National Magazine a brief reference may be made to one large and discriminating and important class of contributors to it—advertisers. Literally hundreds of them employ MACLEAN'S for their advertising, to reach the influential classes represented by MacLean's list of subscribers, and because they get national publicity economically. These makers and producers of goods of national consumption appreciate the fact that a select circulation of 50,000 gives them, among the most important families of Canada, strong **local** publicity as well as broad national publicity, and that retail distributors are both canvassed and assisted by their national advertising in MACLEAN'S MAGAZINE. They recognize that $1,000—$3,000 invested in space in MACLEAN'S MAGAZINE to buy 365-day national influence is dirt cheap publicity.

THIS is but a condensed presentation of MACLEAN'S MAGAZINE. Very much more can be said about its editorial policy and character, about its making, about its quest for and development of new contributors, about the policy that keeps canvassing methods and advertising columns clean, about the hearty approval of subscribers of MACLEAN'S MAGAZINE, about the significance of 50,000 circulation, about the wisdom of doing a "little advertising in a few magazines" as an initial step in national advertising plans; about the advertising of MACLEAN'S MAGAZINE in all the MacLean Publishing Company's list of business and technical newspapers, about the influence of MACLEAN'S MAGAZINE on distributors.

But time and space forbid here and now a continuation of the MACLEAN story.

What is enough to be impressed is—

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Canada's National Magazine

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$125,000.00
Twenty-year 6% Debentures of School Commission of Shawinigan Falls, P.Q.
No exemption of school tax granted to any industrial corporation at Shawinigan Falls.

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accepts funds for investment in selected first mortgages and gives its own Guarantee of repayment of principal and interest. This guarantee provides all the essentials of a high-class investment—good interest return, absolute promptness of payment, and security of principal.
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THE EMBARGO AND PRICE-FIXING IN STEEL MARKET

Big Consumers Ask Appointment of Controller of Steel.

SHIPS AND MUNITIONS

Licenses Will Be Available for the Supplies Required for "Necessary" Products But Other Lines May Suffer.

Recent developments in the steel industry have created an unprecedented situation. Conditions have for some time past been such as to cause considerable anxiety, particularly to manufacturing consumers on account of the abnormal high prices and growing scarcity of steel. The climax came when the United States Government placed an embargo on the export of steel products as a precautionary measure. War has increased the demand for steel products made in the United States and all the Allies are calling for steel in various forms. In order to control the disposition of the output, exportation was prohibited except under license and a priority board was established at Washington to pronounce upon applications for licenses. The principal products included in the list covered by the embargo, are as follows: boiler tubes, steel plate, chrome nickel steel, ferro-manganese, ferrosilicon, ferro-vanadium, iron and steel ship, boiler and tank plates one-eighth of an inch thick and heavier and wider than six inches, pig iron, scrap iron, scrap steel, spiegeleisen, steel billets, steel blooms, steel ingots, steel bars, steel slabs, tin plate and tungsten.

Realizing that their interests were seriously menaced, a number of prominent Canadian manufacturers met in conference at Ottawa on Sept. 28 with Sir George Foster, the Minister of Trade and Commerce, to discuss the situation and endeavor to ameliorate conditions as far as possible. A committee representing the various industries affected was appointed as follows: P. L. Miller, Canadian Vickers, Ltd.; R. M. Davey, Dominion Bridge Co.; D. W. Fraser, Montreal Locomotive Co.; R. Harmer, Sawyer-Massey Co., Hamilton; T. McC. Hutchison of Drummond, McCall & Co., Montreal; F. R. Humpage of the Wilt Twist Drill Co., Walkerville; C. A. Waterous of the Waterous Engine Co., Brantford, Ont.

To Regulate Supplies.

Chairmen for various industries were appointed to circularize manufacturers in their respective branches and ascertain local conditions in detail as to immediate manufacturing necessities. After the inventory is completed a further conference will be held to devise ways and means of meeting needs. Manufacturers of necessities, either for war purposes or for domestic use, will have the first call. Other manufacturers will probably find considerable difficulty in getting iron and steel supplies after existing stocks on hand are exhausted. It is possible that steps will be taken under government supervision to conserve and co-ordinate iron and steel supplies and secure as far as possible a distribution of the limited supplies obtainable, covering a program for the next six months or so.

A Dominion controller of steel and iron may be appointed for this purpose with duties analogous to those of the fuel controller.

Ships and Implements.

It was decided to secure an inventory of immediate Dominion requirements, with a view to making representations to Washington, and also to ascertaining the needs for co-operative action along drastic lines. In the meantime manufacturers and others using imported steel are in a difficult position. While steel required in the manufacture of agricultural implements, for railway equipment, and for shipbuilding will be licensed for export to Canada, manufacturers not engaged in work which might be stated to be for war purposes or directly contributory thereto may suffer great hardships through the shutting off of supplies of necessary war materials from the States. Some of the articles included in the United States list are produced in Canada and some of them may be produced by extensions of existing plants. Ship plates and larger sizes of shapes and angles for shipbuilding and of structural steel are not made in Canada. **One favorable feature that will accrue from the embargo is the benefit which Canadian mills will derive from the increase in business through partial elimination of competition.**

As To Price Fixing.

The situation in regard to prices is no less important than the embargo but it seems to be less certain in its effect on the steel industry in Canada. It is generally conceded that prices have been for some time, far too high but the market got out of hand and nothing could be done apparently to check the upward movement. The schedule fixed by the U. S. Government is well received and generally regarded as being fair to both producers and consumers. Only a few products, however, were affected in the meantime and the War Industries Board has still to establish prices on about 150 products. The following table shows the Pittsburg and Chicago prices on leading steel products and pig iron at three different periods, before the war, recent price and new price.

	New Price	Recent Price	Before the War
Bars, per 100...	$2.90	$5.50	$1.15
Plates, per 100..	3.00	6.00	1.16
Shapes, per 100.	3.25	11.11	1.14
Pig iron, ton....	33.00	58.00	14.00

It now seems practically assured that the crest of prices has been reached. However, there is a general belief in the trade that prices will be more or less stationary for some time and any adjustment downward will be gradual. The Canadian steel companies have given no limit as to what their intentions are in regard to prices but they will probably await developments. The trade is very much upset and consumers are keeping out of the market in the meantime until the air clears and the outlook is less obscure; buying being only to satisfy more urgent requirements.

IMPROVEMENT IN OUR COAL POSITION

Larger Imports and Smaller Exports Made Difference of 846,000 Tons to June.

In view of the drastic action of American Fuel Administrator Garfield, in stopping all shipments of coal in Canada from American lake ports, and remembering the problems which this country faced last winter owing to shortage of supply, there is an interesting field for study in the comparative statistics of production, imports and exports just issued by the mines branch of the Department of Mines at Ottawa. Unfortunately these figures only cover the first half of the calendar year to the end of June. To that time there has been an increase in imports and a decrease in exports which reflected a foresighted policy in this country in preparing against a shortage, such as was so seriously felt last winter. The decline in exports during the six months, amounted to 256,000 tons. At the same time there was an increase imports of bituminous coal of 444,000 tons and an increase in the imports of anthracite of 134,000 tons. This would indicate a net improvement in the country's position on movements during the period referred to of 846,000 tons. Following are comparative figures of exports and imports:

IMPORTS.

Bituminous.

	1916	1917
January	1,124,918	1,031,719
February	942,811	760,545
March	918,206	1,114,958
April	727,467	1,331,449
May	894,505	893,055
June	1,239,862	1,280,652
Six months ...	5,847,789	6,392,378

Anthracite.

	1916	1917
January	295,578	300,836
February	340,347	277,177
March	381,032	436,567
April	194,402	347,390
May	372,264	318,782
June	513,528	551,105
Six months....	2,097,151	2,231,857

EXPORTS.

Month	1915	1917
January	223,609	174,508
February	252,692	120,828
March	261,443	206,334
April	47,060	94,665
May	182,425	109,167
June	125,078	120,020
Six months ...	1,092,307	895,422

It is difficult to make comparisons of the statistics given for production owing to the fact that the figures for the half year ending with June are compared with those for the full year of 1916. These figures are summarized as follows:

	1916	6 mos.
Nova Scotia	6,912,140	3,058,216
New Brunswick..	143,540	93,485
Saskatchewan ...	281,300	139,023
Alberta	4,559,054	1,763,506
British Columbia.	2,584,061	1,100,190
Yukon	3,300	....
Production	14,483,395	6,154,420

The output of coke for the six months was 580,997 tons; imports amounted to 490,830 tons and exports to 8,905 tons.

Woodstock's population, according to the assessor's figures, is now 10,027, an increase of 28 over 1916. The assessment is $5,289,399, which is a gain of $125,992.

LAKE OF WOODS SHOWS PROFITS OF $569,747

Increase Over Last Year, Allowing for War Tax, of $110,000.

NO BONUS ANNOUNCED

Management Pursuing Conservative Policy—All Mills Busy For Coming Year—Assets of $6,395,230.

The annual report of the Lake of the Woods Milling Co. contained no sensational announcement of profits. In this it bore out the advance intimations in THE FINANCIAL POST of a substantial increase in profits over last year, but one that the directors did not consider as warranting a bonus. Instead they set the surplus carefully aside against a day when the upward tide of prices begins to ebb.

The net profits for the year ending August 31 amounted to $569,767, as compared with $525,141 last year, an apparent gain of $44,606 or about 8 per cent. However, the real gain was far larger than this: from the 1917 figures the war tax has been paid already, in the 1916 report $100,000 was set out as a special item to cover the war tax for two years up to August 31, 1916. A moderate estimate for 1917 war tax is $65,000 so that the net profits of 1917 over 1916 would really exceed $110,000 or nearly 20 per cent.

This may be regarded as a satisfactory result of the year's operations; as the Lake of the Woods has no subsidiary activities to swell the normal milling profits. Under these circumstances the action of the management in not declaring a bonus must be commended. In the course of the next year no one can predict accurately just what the relations of net earnings will be to gross turnover; the fixing of a price for flour, directly or indirectly, and the consolidation of all export business into the one channel controlled by the buying agency of the Allies, probably will result in a curtailment of profits; indeed the deliberate purpose of the fixing of flour prices as well as those of coal and wheat, etc., is to prevent undue profits or the evil effects of speculation.

The Balance Sheet.

The assets, according to the report, are $6,521,919, compared with $6,395,230. There is a slight reduction in the valuation of real estate, buildings and machinery: $3,068,702 this year, $3,092,787 last year, with $50,000 in each case allowed for depreciation.

"Stocks" of the Keewatin, Sunset and Medicine Hat mills are set down as $300,000,—no change. A significant item is "goodwill" trade marks, etc., which is $550,000 this year, and was $600,000 last year. As a matter of fact the goodwill a few years ago was included at $1,000,000, but a conservative policy influences the management to reduce this by $50,000 each year.

The inventory account, for wheat, flour, bags, barrels, mill supplies, stood at $1,280,548 last year, and has increased to $1,371,728 this year. This means the opposite to what appears on the surface: not an increase in supplies, but an actual decrease, for the valuation of these items has gone up far more during the year than the difference would cover.

Accounts Receivable increased from $843,593 to $1,012,764, again representing a smaller, not larger quantity of goods on the books.

In the liability column accounts payable have been reduced from $992,594 (including war tax) to $676,535, also providing for war tax.

A new item of $200,000 appears under the heading "Bond Redemption Account." This as the vice-president explained in his report, is on account of bonds that mature in 1923 and the amount is placed as a redemption account.

Distribution of Profits.

From the profits of $569,747 there are deducted $54,000 interest on bonds, $105,000 dividend on preferred shares, of $1,500,000 at 7%, $168,000 being 8% on $2,100,000 of common stock, and $50,000 each written off on property and goodwill. This reduced the surplus account to $142,747 which, added to the surplus from last year $1,889,135, less the $200,000, brings the surplus account at August 31, 1917, to $831,883.

Under indirect liabilities are customer's paper under discount, $441,120; and guarantee of special loan of Keewatin Flour Mills, $400,000.

PRODUCTION

Greater efficiency—greater production—greater economy—doing without the unnecessary things, produces wealth. Wealth gives protection to yourself and family, strengthens your country and helps to win the War. Are you doing all you can?

It is easier to make money than to save it. A Savings Account at The Bank of Toronto will help save what your increased effort provides.

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INCORPORATED 1855
Head Office - - TORONTO, CANADA
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J. Henderson, Vice-President
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler
Thos. F. How, General Manager John R. Lamb, Supt. of Branches
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Invest Your Money in Canada

The Dominion Government urges that Canadian Securities should be held by Canadian Investors. Taxation is likely to be imposed on non-Canadian Securities. You can be patriotic and at the same time, obtain a certain 5% for your money by investing your funds in

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This Canadian Security does not fluctuate in value. It is repayable at certain fixed periods. Meantime it bears interest at 5 per cent., payable half-yearly at your local bank, in cash, on the day it is due.

Thousands of people have invested their savings in these debentures without the loss of one dollar invested. The debentures are issued in amounts of $100 and upwards for a fixed period to suit your convenience.

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When there is no Will

the law takes command, and regardless of your desires or the needs of your heirs, settles how your property shall be divided. One inflexible rule applies in every such case.

Whether you have little or much, make a will—and make it NOW.

Our booklet, "I Give, Devise and Bequeath," may be obtained at our office or will be mailed on request.

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